

BRIGHT STEEL BARS AND CONDUIT TUBES
LONGMORE BROS. LTD.
SPRINGFIELD STEEL WORKS, DARLSTON, S. STAFFS.
Tel. 021-628 2133 (5 Lines) Telex: 336828

FINANCIAL TIMES

No. 25,539

Tuesday August 24 1971

** 6p

VAUGHAN ASSOCIATES LIMITED
for your more important machine tools
VAUGHAN ASSOCIATES LTD. MACHINE TOOL SPECIALISTS
LONDON - NOTTINGHAM - SHREWSBURY

News Summary

GENERAL

Envoys agree on Berlin

The Ambassadors of Britain, the U.S. and Russia have completed the text of an agreement to improve the situation in and around Berlin, after 17 months of negotiations.

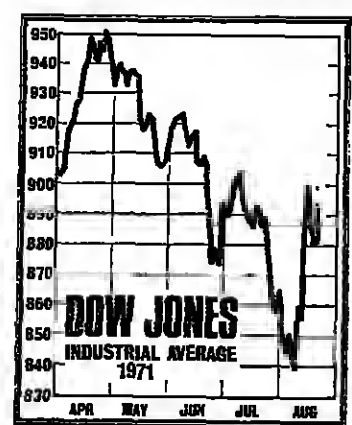
It will now be submitted to the four governments for approval. Although the text has not been published, it is said the Russians have accepted joint responsibility for ensuring unhindered access to the city. Control by East German authorities will be limited to identification and trains and lorries are to be sealed before crossing East Germany.

The Berlin wall is to be opened to West Berliners on the same footing as West Germans. Federal officials will be allowed to remain in Berlin and visits by the Federal President, Chancellor and Ministers will be allowed, although West German political activity in the city will cease.

BUSINESS

11-point rise on Wall St.

WALL STREET, encouraged by world foreign exchange markets' calm reaction to Mr. Nixon's dollar moves, resumed



its strong upward trend. The index, helped further by renewed optimism on the prospects for the U.S. economy, closed up 11.47 at 932.38.

Soldier shot in Belfast

Another soldier was shot dead in Belfast yesterday by a sniper, bringing to 14 the number of soldiers killed in Northern Ireland this year.

The total death toll since the introduction of internment rose to 31 when a man injured in a gun battle in Ballymurphy died in hospital.

Tool orders down 40%

NEW MACHINE TOOL orders in this year's first five months, at \$56.8m, were nearly 40 per cent down on the same period of 1970 and the industry expects a lag of at least six months before the mini-Budget's reflationary measures are reflected in order books. Provisional DTI figures showed orders in May totalled only \$10.6m, 53.2m of which was for home orders—the lowest level in four years.

Ky pull-out worries Nixon

President Nixon is concerned at yesterday's decision by South Vietnam Vice-President Nguyen Cao Ky to withdraw from the presidential election, which aims in defiance of considerable White House pressure on him to stand. America is concerned with retaining the credibility of a election in the fact of the withdrawal last week of another potential candidate, General Lam, leaving President Thieu as the only candidate.

em thieves not police

police superintendent dies in hospital at Blackpool after a heart-attack. He was 55 and had been in the force for 25 years. He was married and had two children.

angry Brigade charges

people in their twenties, including two women, held by the following week-end swops North London houses by Scotland Yard's anti-Angry Brigade squad, were charged under the Public Order Act. They will appear in court to-day.

people and places

fish Rail last night ordered checks on the Nottinghamshire line after investigations showed skinhead gangs were using a protection racket on the night trains. The youths, armed with knives and clubs, were seen in a group of about 20 in the station at 11.30 p.m. on Saturday.

11-year-old Bernadette Devlin, a birth to a girl, 20s, two-week-old girl. Both were said to be well.

anc-room fire brought an end to dancing passengers on the Empress of Canada in the sea last night but it was only brought under control.

rd Test: India were in sight of their first Test win in England. Scores: England 355 and India 284 and 76-2. Page 9.

Shock omission from the Ryder Cup team is by Horton. Page 9.

Calm reopening of exchange markets

Pound closes 2pc up against the dollar

BY MICHAEL BLANDEN

THE FREE market in foreign currencies made a notably calm start yesterday. Following the decision to allow the pound to float, along with the Italian lire, the Belgian franc and the three Scandinavian currencies, the dollar ended the day effectively devalued by up to 2 per cent.

Following the five-day closure of exchanges in London the banks had a substantial backlog of business to make up and re-

	Fri. 13 Aug.	Mon. 23 Aug.	Fri. 13 Aug.	Mon. 23 Aug.
U.S. dollar	3.39	3.42	2.42	2.44
German Marks	5.51	5.53	13.20	13.51
French Francs	6.55	6.57	19.21	19.51
Italian Lire	4.06	4.00	9.82	9.78
Swiss Francs	3.45	3.49	8.37	8.50
Dutch Guilders	49.42	48.85	120.05	119.50
Belgian Francs	1.01	1.01	2.44	2.47
Canadian dollar				

The ferment inside America

Editorial comment 14

Currency news 8

ported considerable activity on behalf of their industrial and commercial customers. With less inter-bank dealing than usual going on, however, the level of activity was not exceptionally high.

Conditions took a little time to settle down as dealers got to grips with the new situation. In the morning exchange rates tended to fluctuate widely, and the pound, after starting at around \$2.4550, at one point touched \$2.47 against its par value of \$2.40.

Later, however, the rate settled, and by the close the pound was quoted at \$2.4380-\$2.4405—a revelation of a 11 per cent. Dealers suggested that the Bank of England had not intervened in the market.

It was recognised that, while the market had calmed down, the new situation, it would be some considerable time before

the new system settled down completely. The floating of the major currencies has taken the edge of the speculative pressures, but the huge flows of currencies which took place before the U.S. measures a week ago are still hanging over the market.

The element of uncertainty was reflected in a spread of quotes between buying and selling prices which, though reduced by the end of the day, was still greater than was normal under fixed exchange rates.

Two specific sources of uncertainty were presented by the new French two-tiered exchange rate system and by the situation of the Japanese yen.

The French system, establishing separate markets for commercial and financial transactions in francs, caused a good deal of initial confusion. Dealers in London and New York were uncertain how exactly it would operate, and some were sceptical of its practicability. It was suggested in London that banks would have to maintain two separate accounts with their French counterparts in order to maintain the distinction between the two types of transaction.

The yen remained the subject of strong speculation as a revaluation prospect and attracted a profusion of buying orders in London, but the official restrictions in Tokyo left the demand unsatisfied.

Earlier in the day Japanese banks in Tokyo were forced to buy some dollars in order to meet their official guidelines. Their London branches were giving no

quotes for the yen at all.

The newly floating currencies, however, appeared to present no major problems to the market and all showed some appreciation against the dollar. Against this, the D-Mark and the guilder, which have been floating since May, weakened against the U.S. currency.

The sharp fluctuations in rates during the morning produced some substantial changes in values. Just after one stage the pound and the Norwegian krone, for example, went up to 3 per cent over their par values. As rates settled, however, the extent of the revaluation was generally reduced.

Among the new floaters the lira was officially fixed in Milan at 617.60 to the dollar—a revaluation of 0.38 per cent. Bank of Italy sources indicated that this was well within the limits at which the bank intended to intervene. The dollar closed, however, at 611.614 in London.

The Belgian franc, now floating in close conjunction with the

Schweitzer-U.S. gold price clash

BY JOHN GRAHAM, U.S. EDITOR

M. PIERRE-PAUL Schweitzer, managing director of the International Monetary Fund, gave a strong hint to-day that he would like the U.S. to increase the dollar price of gold and return soon to a gold exchange standard.

He thus brought right into the open a major disagreement between himself (and the other senior management of the IMF) and the U.S. Treasury.

The White House in San Clemente, California, simply reiterated the previously stated position: that the U.S. contemplated no change in the price of gold, either upwards or downwards.

In this context the freely or not-so-freely floating rates to-day are "an unsatisfactory reality" and are not by themselves leading to a satisfactory pattern of exchange rates. M. Schweitzer repeated what he has said to the governor of the IMF—that he feels a great sense of urgency.

Interim period

By giving his opinion in public, however, M. Schweitzer has probably changed things more than the U.S. cares to admit. The revelation came during a television show in the early morning—an unusual forum for him, to say the least. He was asked whether he thought the possible dispute in the international monetary system might not be solved if the U.S. were to change the value of gold slightly upward, and this was his reply:

"That would be one contribution to it. It would not be

Group of Ten

He confirmed that he had been discussing with Mr. Benson (the Canadian Finance Minister, who is chairman of the Group of Ten) the possibility of a meeting of the Group of Ten deputies, was in Washington last week-end, also in pursuit of this goal.

What is new about M. Schweitzer's remarks to-day is not just that he has publicly advocated an increase in the gold price, but that he has dared to say it when representatives of Group of Ten Governments have dared to do so. The taboo has been mentioned, but loud, and the U.S. is presumably less able to ignore it.

Nor is there any doubt about M. Schweitzer's gold orientation. His suggestion that the U.S. should go back to selling gold as soon as possible was made in answer to a question about trade

Car sales leap after mini-Budget

BY JAMES ENSOR

MR. BARBER'S purchase tax cuts and the relaxation in hire purchase controls have had an immediate impact on car sales. Registrations in July reached 96,319, the best July figure for years and 16 per cent. above July, 1970.

For the first half of 1971, car sales were only 6 per cent. better than in 1970, so that the July result shows a significant acceleration of sales.

The early returns for August suggest that sales may be 30 per cent. better than in 1970 with a monthly total of 130,000.

he lower than in Germany or France.

Ford, which has been rebuilding its stock levels since its dramatic strike in the spring, is able to report a more encouraging month in July. Its share of the market has recovered to 20.3 per cent., a modest improvement on the 19.3 per cent. reached in June. The new Cortina accounted for 10 per cent. of sales, its best month to date. It is now the second most popular car in Britain with sales only 5 per cent. below the Austin 1100/1300.

British Leyland's market share also increased slightly in July to 39.1 per cent. The Marina accounted for 5 per cent. of the market; its production rate has been stepped up to 2,500 a week from the modest initial rate. By the end of the year its production will reach 5,000 a week, and it should make more of an impact on the market.

Encouraging

August sales should be the best in a single month since 1961, boosted by the tax cuts and the start of the "K" registration letter. The industry's economists are forecasting total domestic sales in 1971 of 1.2m, with demand continuing to pick up in 1972 to reach 1.5m. In 1970, sales are likely to exceed the 1964 peak for the first time, giving the industry the first boom since then. Even then, sales will

and Chrysler at 9.5 per cent. lost some ground in July. Chrysler's Avenger, which held only 2.7 per cent. of the market, and Cauxhall's Viva, which had 6.3 per cent., both seem to have suffered a slight loss of sales to the Marina and to imports.

The import share of the market at 20.3 per cent. stayed as high in July as it has in recent months. But the big importers, apart from Fiat (which moved over 3 per cent. for the first time), have found it hard to increase sales in recent months. The continued slight increase in imports is now due to the success of the smaller importers such as Peugeot and BMW, which sold two or three times as many cars as in July, 1970.

Chrysler France had a good month, thanks to the sales of the Chrysler 150, the only imported car to benefit from being sold through a major British dealer share. Its 0.5 per cent. market share boosted Chrysler France to 2 per cent., double the penetration it held in 1970.

Toyota has begun to sell more cars in Britain, too. In July it

EF PRICE CHANGES

Court Bros. 'A'	195 + 9
Court Bros. 'B'	147 + 12
De La Rue	224 + 6
Direct Spanish Tele.	187 + 18
Gates (F. G.)	51 + 8
Granada 'A'	390 + 22
Hattersley Steelford	1000 + 2
Lancaster Carpets	290 + 8
Land Securities	303 + 9
Lucas (L.)	266 + 13
Marley	118 + 9
Moran-Graniphan	123 + 8
Pearl Assurance	282 + 10

COMPANIES

Carreras final	101 per cent. for a total of 151 (141) on record pre-tax profit of £9.5m. (£7.3m.). Page 16; Lex
----------------	--

U.K. DAILY STOCK INDICES

Govt. Secs.	23.67
Fixed Interest	24.72
Industrial Ord.	42.1
Gold Mines	31.5
Ord. Div. Yield	3.72
Earnings Yield	5.31

U.S. DAILY STOCK INDICES

NYSE	112.2
AMEX	12.77
FT-INDUSTRIAL	12.77
FT-AGRICULTURE	12.77
FT-TRANSPORT	12.77
FT-ENERGY	12.77
FT-TELECOM	12.77
FT-RETAIL	12.77
FT-CONSUMER	12.77
FT-INDUSTRIAL	12.77
FT-AGRICULTURE	12.77
FT-TRANSPORT	12.77
FT-ENERGY	12.77
FT-TELECOM	12.77
FT-RETAIL	12.77
FT-CONSUMER	12.77

Truman bids: it could be a dead heat

BY KENNETH GOODING

THERE is now a real prospect of the race for control of brewers to a close the last of the big shareholders in Truman were

As the Grand Met. offer drew to a close the last of the big shareholders in Truman were

As a general rule it has been a very rare bid which has



Mr. Maxwell Joseph, chairman of Grand Met.

This makes the position of the Buxton family, split down the middle over the future of Truman—a company with which they have been associated for generations—even more important. If one faction owning only 1 or 2 per cent. changed allegiance from Watney to Grand Met. the deadlock could be broken.

What makes this unlikely, however, is the undoubted bitterness the bid situation has aroused in those deeply involved.

Clutch pedal check for 65,000 Cortinas

more than 95 per cent. of a company's issued capital during the course of an offer and there can be very few uncommitted Truman shares left available for the rivals to pick up.

Grand Metropolitan's offer was due to close yesterday but, in view of its position, the offer has been extended to Friday. The Watney closing date is to-morrow.

Joint optimism

Both sets of advisers were making optimistic noises last night. S. G. Warburg, Grand Metropolitan's bankers, maintained their offer was "very successful". A spokesman added: "We have the scent of victory."

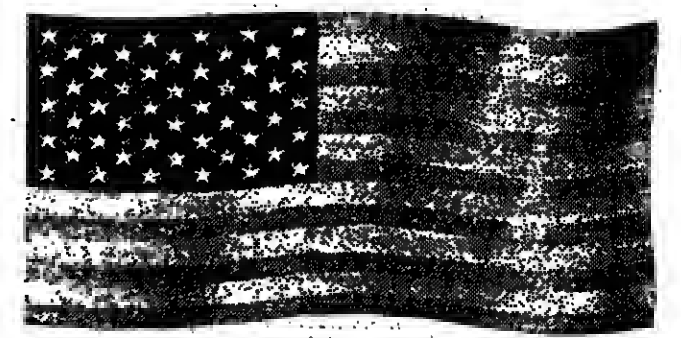
At Guinness Mahon, Watney's advisers, the comment was: "It is heartening to see they could get no more than 47 per cent."

THE £ ABROAD

	Close Aug. 23	Close Previous
New York (4.42)	£2.442.450	£2.402.466
Do. 1 month (4.10-0.25)	Unavailable	Unavailable
Do. 3 months (4.05-0.15)	Unavailable	Unavailable
Do. 12 months (3.95-0.05)	Unavailable	Unavailable

ON OTHER PAGES

Appointments	10	Mining News	9
Arts and Entertainment	3	Money Market	2
Classified Appointments	12	Overseas News	20
Company News	9, 16 & 18	Racing	2
Crossword	2	SE Dealings and Statistics	22 & 23
Executive's World	13	Stock Exchange Report	21
Export News	6	Sport	9
FT Share Information	24 & 25	Cricket: Trevor Bailey	3
International Company News	18	Golf: Ben Wright	7
Labour News	15	Theatres and Cinemas	3
Leading Articles	14	The Technical Page	7
Letters to the Editor	2	To-day's Events	2
Lex and Lombard	26	TV and Radio	2
Men and Matters	14	Wall St. and Overseas Markets	20
		Wine: E. Penning-Rowell	10



THE MIAMI NON-STOP DAILY

It leaves London at 10.40 am. and arrives at 2.55 pm. (local time)

For a nominal charge we'll entertain you with films and music on the way.

Ask your travel agent to book you on the Miami Non-stop Daily.

BOAC
takes good care of you.

Water resources

system for financing all the water supply and disposal services which contractors want on a coherent basis, with investment programmes organised to achieve the required results with the least call on total resources, including land. This requires authorities call them "multi-purpose" if you like—which will be capable of directing the management of the whole water-cycle as a unity.

D. J. Kinnersley,
Secretary,
Association of River Authorities,
Grosvenor Gardens House, S.W.1.

Multi-purpose authorities

Sir—Sir John Cockburn's plea (August 11) that we should go on using the methods of the past to tackle the water shortages of the future can be shortly answered. Much of the increase required in water supplies must come from more re-use of water for which widespread improvement in sewage disposal and cleaner rivers are essential and urgent.

The fact that Sir John makes no mention of this in his long letter shows better than any other that his little 'specialist' aspect will get until we have multi-purpose authorities covering the water cycle as a whole.

J. E. Churcher.

Gipping Hill,
Ambergate, Derbyshire.

Sending money abroad

Sir—Your correspondent Mr. Hodges (August 18) was asking for an international money transfer service which, unfortunately, the Post Office cannot provide under the Bank of England regulations. The Bank of England, notice EC12, to which Mr. Hodges refers, permits bank to carry out emergency telegraphic transfers, but this applies only to banks, and does not apply to the Post Office.

There are, however, a wide range of international money transfer services which the Post Office is able to provide. Mr. Hodges may like to know in instance that Giro account

holders who remit money overseas through the ordinary foreign national Giro Service for import education, subscriptions, magazines, salaries and cash gift for example are only charged per £10, with a minimum of 25p and a maximum of £10.

T. Dawson,
DPR, Post Office,
23, Howland Street, W.1.

Events

To-day

COMPANY MEETINGS—
CELESTION INDUSTRIES, t Mad.
Street, W. 12. (Chairman, Mr. G.
Frenn.)
CULET, 13. (Chairman, Mr. O.
Harris.)
CORNWALL PROPERTY, Burnham
Road, E. 12. (Chairman, Mr. A. Shuck.)
HARPER (JOHN), Willeshall, 12. (C
man, Mr. W. K. Harper.)
HUMPHRIES HOLDINGS, 11. (C
man, Mr. A. G. Hensher.)
FARRINGTON STREET, E.C. 12. (C
man, Mr. A. G. Hensher.)
HUMPHRIES HOLDINGS, 11. (C
man, Mr. A. G. Hensher.)
ADRIAN, 11. (Chairman, Mr. A.
Adrian.)

LEIGH STREET

‘Open school plan may aid young tourist:
MORE SCHOOLS and universities in the London area may be opened to the public to provide sleeping accommodations for young overseas visitors.

Mr. Robert Grant, Parliamentary Under-Secretary responsible for tourism in the Departments of Trade and Industry, is to announce the matter. He said yesterday that reports of ac-

into the matter. He said yesterday that reports of accommodation shortages and of slow moving to "sleep rough" were exaggerated.

The biggest problem is to make known to young people what accommodation facilities already exist," he added.


More than 500,000 people visit Britain each year, Mr. Grant said, but the L.T.O. Board estimates that the bureau "always seems to have 1,000 unfilled vacancies on it — not of them under 18 at all."

He was speaking after a London accommodation conference.

ry fferent

But in cars, you can
take you'll be here
of a hundred years
about getting going
— One you just want
to travel and go
know you'll be right
with it. It's a car that
is a luxury, but it's

BRITAIN
1986



Farming
and Raw
MaterialsCanada angry
at synthetic
rubber dumping

By Our Own Correspondent

TORONTO, August 23. POLYMER CORPORATION has protested to the Department of National Revenue at the alleged dumping of synthetic rubber in Canada by Japanese manufacturers.

Polymer says the imports from Japan will cost it a major contract with Goodyear Tyre and Rubber Company, of Toronto, which has informed Polymer of its intention to switch to the Japanese product when its contract with Polymer expires on November 1.

The commodity involved is styrene butadiene rubber (SBR). Polymer says it will take steps to prevent the imports at prices lower than those offered in Japan, first through pleas to the Government and then by legal action.

Goodyear officials say the switch is strictly a matter of price. "We have to buy Japanese to remain competitive," the company is faced with competition from a growing volume of imported tyres and a new competitor in the domestic manufacturing sector. Goodyear officials note that Michelin of France is ready to open two tyre plants in Nova Scotia, and Michelin is being allowed to import tyres into Canada duty-free for three years.

Higher sugar
output in
West Indies

BRIDGETOWN, August 23.

THE West Indies Sugar Association's latest estimate puts sugar available for export at 974,627 long tons.

Production for 1971 is estimated at 1,133,307 tons against 1,084,216 tons in 1970.

Member countries' estimated production (1970 in brackets): Antigua 11,200 (4,355); Barbados 134,552 (154,979); Guyana 380,000 (311,149); Jamaica 389,400 (370,473); St. Kitts 21,891 (26,774); Trinidad 213,164 (216,501).

The Barbados, St. Kitts and Trinidad figures are final, subject to store turn-out.

Uneventful day's trading
in commodity markets

BY ROBIN REEVES, COMMODITIES EDITOR

LONDON commodity markets showed little response to the opening of foreign exchange markets yesterday. As last week, trading in most markets remained exceptionally quiet and there were no marked price movements.

If the currency situation was a factor, then markets should have been generally steadier. This is on the basis that commodity prices were adjusted last week to the expectation of a de facto revaluation of sterling against the dollar of between 8 per cent and 5 per cent. In the event, yesterday's foreign exchange dealings never showed a revaluation of more than 3 per cent.

Net decline

In fact, one of the commodities which might be expected to be more sensitive to the currency situation—copper—showed a net decline on the day.

On the London Metal Exchange copper market, it was thought there might have been some arbitrage trading against the New York market, as the two markets realigned themselves. The amount of business remained very thin indeed and the more important factor was the increase in L.M.E. warehouse stocks to a new record figure of 106,322 tons.

The increase was bigger than the market was expecting on the pretext that foreign exchange

market closures had prevented some buyers from taking delivery of their purchases. Even so, the rise had a dampening effect. Cash and three months wirebars eventually closed both \$5.5 down on the day at \$447.25 and \$557.25 a ton respectively. News that another major U.S. copper producer, Arco, had sent its strike, had no perceptible influence.

There was some moderate business in silver initially. On the London market, cash and three months delivery silver were fixed unchanged at 65.2p and 66.4p an ounce respectively. In the afternoon, however, prices sagged in a very small turnover reflecting a decline in New York.

Net prices were no more than steady with cash closing at \$1,408.5 a ton and dealers' three months unchanged at \$1,420.5 a ton. This was despite the revolution in Bolivia, which might have been expected to have a more marked effect.

Turnover in lead was better than in most markets but dealers did not attach any particular importance to this. Three months lead closed unchanged at \$107.125 a ton. In contrast three months zinc led further ground to close \$1 down at \$133.875 a ton.

Elsewhere, cocoa and sugar were easier, again in very quiet trading conditions. The trends were put down to disappointed speculation in liquidation connected with the currency situation. The coffee terminal

market remained quiet and featureless in the continued absence of significant news from the International Coffee Council negotiations now going on in London.

The rubber market was described as quiet and peaceful, though the closing tone was hesitant. The spot price for No. 1 RSS grade closed at a new low for the year of 13.85p a kilo, down 0.05p on the day. Earlier, news of devaluation of the Indonesian rupiah softened values on the Singapore rubber market.

Financial franc

A number of imported grains were quoted yesterday for the first time for over a week, but there was an indication among dealers that stability in the money markets before entering into fresh commitments.

Meanwhile Reuters reported from Paris that the French Finance Ministry informed the Paris commodity market authorities that all arbitrage dealings with foreign markets must be done at the rate of the new floating financial franc.

Market sources said that so far this had had no effect on prices, but higher prices are being offered against the new price of Ptas. 1,350 for green pepper, mint leaves recently established by the traders as against a price of Ptas. 2,500 (about £15) per ton paid last year.

More the peppermint herbs are distilled locally by the traders and the condensed essence is exported to mainly EEC countries and Cuba. Some of the traders say that they are offering lower prices because of a breakdown of talks with Cuba may hinder exports to that country and force them to sell at lower prices to European buyers.

The farmers have threatened to raise the price for the herbs if their hermits insist, they will present their case to the anti-monopoly court and, in addition, take over the distilleries and form an association for the direct export of the finished products.

EGG IMPORT LEVY REDUCED

A reduction in the general import levy for eggs from 12p to 10p was announced by the Ministry of Agriculture last night and comes into effect today. The levy on shell eggs and new rates are: up to 11 lbs. 35p per 120 eggs, 11-12 lbs. 40p, 12-13 lbs. 50p over 13 lbs. 45p; whole dried eggs not in shell £10 per 100 lbs. not in shell £60 per ton.

Wool price
boost
forecast

CANNBERRA, August 23.

MINISTER for Primary Industries, Mr. Ian Sinclair, told Parliament that Australian wool-growers can expect a 20 per cent price boost for their clip in the current selling season.

He said Federal financing assistance will provide the increase. In the budget announced last week details were given of Government's wool support price scheme, giving an average support price of 36 cents per pound.

In the circumstances, growers should be prepared to pay the 0.4 per cent levy charged for administrative expenses of the Wool Commission, he said, adding the charge will have little impact on growers' returns.

Reuter

Spanish protest
at peppermint
price cut

By Our Own Correspondent

MADRID, August 23.

FARMERS in Leon province (north-west Spain) have refused to deliver their crops of about 8,000 tons of peppermint herbs to local traders. The farmers are protesting against the new price of Ptas. 1,350 for green pepper, mint leaves recently established by the traders as against a price of Ptas. 2,500 (about £15) per ton paid last year.

More the peppermint herbs are distilled locally by the traders and the condensed essence is exported to mainly EEC countries and Cuba. Some of the traders say that they are offering lower prices because of a breakdown of talks with Cuba may hinder exports to that country and force them to sell at lower prices to European buyers.

The farmers have threatened to raise the price for the herbs if their hermits insist, they will present their case to the anti-monopoly court and, in addition, take over the distilleries and form an association for the direct export of the finished products.

EGG IMPORT LEVY REDUCED

A reduction in the general import levy for eggs from 12p to 10p was announced by the Ministry of Agriculture last night and comes into effect today. The levy on shell eggs and new rates are: up to 11 lbs. 35p per 120 eggs, 11-12 lbs. 40p, 12-13 lbs. 50p over 13 lbs. 45p; whole dried eggs not in shell £10 per 100 lbs. not in shell £60 per ton.

EGG IMPORT LEVY REDUCED

EGG IMPORT LEVY REDUCED

Fur traders to ban sales
of rare animal skins

BY GODFREY BROWN

FUR COATS from some of the more exotic wild animals now threatened with extinction will not be sold for much longer, if an international scheme announced yesterday is successful.

From the beginning of next month, a voluntary ban on the sale of fur skins of "seriously endangered" species, and a three-year temporary moratorium on two other species, will come into effect.

The measures are being brought in by the International Fur Trade Federation, which represents the 23 main fur-consuming countries in the world, in conjunction with the World Wildlife Fund and the International Union for Conservation of Nature and Natural Resources.

The five species in serious danger of extinction are the leopard, snow leopard, clouded leopard, La Plata otter and giant otter.

The leopard and cheetah are not immediately endangered, but the three-year temporary ban on sales of their fur is to enable a survey into the position of these two animals to be carried out.

Fur traders subscribing to the policy agreed yesterday are to handle the skins of endangered species, other than existing stocks, duly approved and stamped by the International Federation. They will display a plaque and certificate to this effect.

The fur traders admit that their only sanction is public opinion: it is their hope the public will buy fur only from establishments displaying the plaque. A trader who played the would have the plaque withdrawn and would probably be "drummed out" of the Association.

Diminishing asset

Mr. Leslie McMillan, treasurer of the International Federation and chairman of the joint conservation committee, said existing supplies in Britain of the five animals on the complete ban were very small, since the animals had been seriously in danger of extinction for various reasons for some time.

Last September they had issued to members a recommendation that they should not deal in leopard skins. This had been largely implemented and members' use of these furs had dropped by about two-thirds.

London is the centre of the world's fur trade, which earns some \$55-60m. a year in foreign exchange. The cash effect of the self-imposed ban on the threatened species was put at \$5m. "at the outside" to the U.K. and a possible \$12m. on a world basis. But it is a diminishing asset anyway.

Mr. McMillan said that as a result of the conservation measures, it may be possible to work out in future a "sustainable yield" and not only maintain but increase the population of the threatened species.

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

Fur traders to ban sales
of rare animal skins

BY GODFREY BROWN

FUR COATS from some of the more exotic wild animals now threatened with extinction will not be sold for much longer, if an international scheme announced yesterday is successful.

From the beginning of next month, a voluntary ban on the sale of fur skins of "seriously endangered" species, and a three-year temporary moratorium on two other species, will come into effect.

The measures are being brought in by the International Fur Trade Federation, which represents the 23 main fur-consuming countries in the world, in conjunction with the World Wildlife Fund and the International Union for Conservation of Nature and Natural Resources.

The five species in serious danger of extinction are the leopard, snow leopard, clouded leopard, La Plata otter and giant otter.

The leopard and cheetah are not immediately endangered, but the three-year temporary ban on sales of their fur is to enable a survey into the position of these two animals to be carried out.

Fur traders subscribing to the policy agreed yesterday are to handle the skins of endangered species, other than existing stocks, duly approved and stamped by the International Federation. They will display a plaque and certificate to this effect.

The fur traders admit that their only sanction is public opinion: it is their hope the public will buy fur only from establishments displaying the plaque. A trader who played the would have the plaque withdrawn and would probably be "drummed out" of the Association.

Diminishing asset

Mr. Leslie McMillan, treasurer of the International Federation and chairman of the joint conservation committee, said existing supplies in Britain of the five animals on the complete ban were very small, since the animals had been seriously in danger of extinction for various reasons for some time.

Last September they had issued to members a recommendation that they should not deal in leopard skins. This had been largely implemented and members' use of these furs had dropped by about two-thirds.

London is the centre of the world's fur trade, which earns some \$55-60m. a year in foreign exchange. The cash effect of the self-imposed ban on the threatened species was put at \$5m. "at the outside" to the U.K. and a possible \$12m. on a world basis. But it is a diminishing asset anyway.

Mr. McMillan said that as a result of the conservation measures, it may be possible to work out in future a "sustainable yield" and not only maintain but increase the population of the threatened species.

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

See Men and Matters Page 14

Fur traders to ban sales
of rare animal skins

BY GODFREY BROWN

FUR COATS from some of the more exotic wild animals now threatened with extinction will not be sold for much longer, if an international scheme announced yesterday is successful.

From the beginning of next month, a voluntary ban on the sale of fur skins of "seriously endangered" species, and a three-year temporary moratorium on two other species, will come into effect.

The measures are being brought in by the International Fur Trade Federation, which represents the 23 main fur-consuming countries in the world, in conjunction with the World Wildlife Fund and the International Union for Conservation of Nature and Natural Resources.

The five species in serious danger of extinction are the leopard, snow leopard, clouded leopard, La Plata otter and giant otter.

The leopard and cheetah are not immediately endangered, but the three-year temporary ban on sales of their fur

American News

Dr. Castro meets U.S. volleyball players

HAVANA, August 23. Castro shook hands, signed autographs and chatted with the U.S. volleyball players before they met Cuba, in the North Central American and Caribbean championships here. Wearing as usual his olive-green fatigues and cap, the Cuban leader, in good spirits, told the players he hoped there would be more sports exchanges between the U.S. and Cuba. "The more exchanges the better," he said, expressing the hope that Cuban teams might soon go to the U.S.

Full security measures were in force outside and inside the round, covered stadium when Dr. Castro arrived. He went straight to the players changing room and started talking with Puerto Rican and Cuban women players and with the President of the Central American and Caribbean volleyball federation. He was apparently ready to go and watch the game when an American player went up to him and handed over a U.S. pennant. Dr. Castro then went over to the U.S. team and shook hands with the players and the delegation officials.

Eyewitnesses said Dr. Castro started to talk with an interpreter who said in Spanish, "I'm glad you are here." But setting impatient with his interpreter, he then switched to English. He talked mainly about sports, asking questions as to how they played at school or at university. After he gave a seven-minute interview to the American Corporation, answering only previously agreed questions on sports.

QANTAS TRIES TO REMOVE JUMBO BAN

SYDNEY, August 23. Captain Robert Ritchie, general manager of Australia's international airline, Qantas, is here to-day for Washington where he will discuss the U.S. ban on Jumbo jets operated by the airline. In Washington, Captain Ritchie will be joined by Australia's director of civil aviation, Sir Donald Anderson, who leaves here to-night. Reuter

THE BOLIVIAN COUP

Scant hope of stability

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

IT IS easy to be cynical about Bolivian politics in general and the events of the past few days in particular. In Bolivia the usual pattern is for presidents to trip and trip out of the presidential palace every 18 months or two years leaving the pitiable state one of the poorest countries in Latin America unchanged. The record of the last decade or so gives the impression at holders of the presidency have been playing musical chairs the tune of machine gun fire. Civilian President Victor Paz Estenssoro, the one time revolutionary leader of the upheaval of 1952 tries in 1964 to bang on to power unconstitutionally. He is ousted by General Barrientos and vando who then rule jointly. Barrientos resigns his co-presidency to run for elective fire and Ovando rules alone. Barrientos becomes president. Barrientos dies in a helicopter accident caused either his own drunken aerobatics or a well placed assassin's bullet in the ground. Then the vice-president Luis Adolfo Siles takes over. He is in turn ousted by Ovando. And Ovando removed by the Army Chief of staff, General Juan Jose Torres all the stink of a scandal of offeering on arms sales to the idle East. Then Torres goes.

Che Guevara

Mystery and adventure crowd on all sides. Antonio Arguedas, Minister of the Interior, who d ostensibly been dedicated to fight against Che Guevara, reveals that he had passed on the thetic diaries of Guevara to vana. He leaves Chile, then vna at Gutwick in a BUA air er between two Chilean police- n is allegedly interrogated by S. intelligence in hotels in yswear and Richmond, Surrey, n disappears to New York. anwhile a Brazilian general sests that Bolivia should come a protectorate of his ntry and an ephemeral ublic is proclaimed and dies an afternoon in Santa Cruz, ital of a province which rders Brazil. Bolivian politics are indeed e most part tregi-comedy. I interspersed among the lical episodes are moments f intense and very real polit- l drama which determine the use of events in Bolivia to r more effort than the awkward cession in and out of the lacio Quemado, the presiden- l offices in La Paz. The events f this weekend however, are likely to constitute one of e turning points. General Torres, who lost the t for his political survival, k over the presidency almost accident last October. The

Ovando regime was proving itself not only corrupt but self- contradictory, incompetent and brutal. The right wing of the Army and the civilians decided that he had no reason not to make a clean sweep of his mili- tary opponents. Popular en- thusiasm for his advent to power was such that he could have armed his civilian supporters and East of the country. There has traditionally been hostility between Santa Cruz and La Paz. The former is a lowland town, the seat of many large land- owners who run farms or ranches in the surrounding countryside. Nearby is Camiri, the centre for the booming oil and natural gas business. The more European *crucero* would rather look to- wards Argentina and perhaps Brazil than to La Paz, a city perched 12,000 feet up in the Andes, inhabited by brown men descended from the Incas. In Santa Cruz officers who had been edged out of positions in La Paz into the provinces by Torres found the members of the Right-wing Falange Socialista Boliviana, more conservative sections of the once revolu- tionary Movimiento Nacionalista Revolucionario of Dr. Paz Estenssoro and local landowners to plot Torres' downfall. One plot failed, but in the past few weeks the conspirators, alarmed by Torres' continuing radical pronouncements and the radical activities of the Left- wingers who surrounded him decided on a further attempt. The establishment of the Congress and the call by junior officers for the setting up of a really revolutionary army was the signal for action.



Col. Hugo Banzer waves to crowds from the Presidential Palace in La Paz after overthrowing the Government of President Juan Jose Torres on Sunday.

Ovando the people of La Paz made their own voice heard. Street demonstrations made it plain that, if they wanted Ovando out, they did not want Miranda in. General Torres, a nationalist, popular with the working class in La Paz, was drafted, willingly, to the presidency. The first impression he gave was that he would be the man to bring back the heady days of 1952 when the political balance of the country swung heavily towards the peasantry, the workers and the miners. Had he not said that the Army should not forever be "the Praetorian guard of the oligarchy." Once in power, however, he proved himself a great deal less radical. He was certainly not the master of the armed forces whose lead- ing officers were—and remain— deeply split politically. Some officers opposed to his policies he sent off to distant provincial com- mand, others he was not strong enough to wrinkle out on his own. In La Paz the principal barracks, La Flores, continued in the con- trol of officers opposed to him. At the military academy General

reduced the conservative officers to silence as had been done by Paz Estenssoro in 1952. For one reason or another he did not do so. His opponents were left in peace to plot against him. In foreign affairs he made tantalising allusions to restoring diplomatic relations with Chile and Cuba but nothing ever came of it, though he did take some technical and financial assistance from Russia and did commit Bolivia to sell large quantities of tin to Moscow. He also released Régis Debray. The upshot was that neither side was content in politics and right and left were quietly sharpening their knives for an eventual showdown. In La Paz at the end of last year the sense of an impending clash and the settling of old scores pervaded politics everywhere. While Torres temporised everyone knew that it was an unstable situation. This year events moved to- wards their climax. Apart from the military installations in La Paz, the centre of opposition to Torres was based on the city of Santa Cruz, capital of the South

Air Force

The Right-wingers could count on better-trained troops. The garrison in the Miraflores barracks and the Academy in La Paz, the garrison at the mining centre of Oruro, the U.S.-trained Rangers who had wiped out Che Guevara and his guerrillas in 1967, and troops throughout the south and east were all on the alert. In La Paz they faced the hastily mobilised popular militias of students and trade unionists and, until it changed sides, the *forzas* and its ancient but frightening *Mustangs*. In Oruro, the tin capital of Bolivia, it faced thousands of miners armed with their dynamite. The regular troops were more than a match for their ragtag opponents. Banzer became Bolivia's third President in less than 12 months and the country's 58th President in less than 150 years. But this is far from the end of the story. Although the Government can rely on support in the south and east, the most im- portant region of the country is the Altiplano where La Paz is situated and where tin, the country's only important export, is mined. The people in La Paz and the tin miners are solidly against the new Government. There will be little stability under Banzer, and he is unlikely to last any longer than most Bolivian Presi- dents.

Second case of contaminated canned food discovered in U.S.

BY JUREK MARTIN

NEW YORK, August 23.

A SECOND case of the discovery of the contamination of canned foods with the potentially lethal botulism poisoning has surfaced in the U.S. This instance involves soup produced by Campbell's, the largest soup manufacturer in the country. Unlike the previous case this summer, no deaths have so far been traced to the presence of this deadly toxin, the existence of which was discovered by the company itself in the course of one of its quality control tests at one of its plants in Paris, Texas.

The Campbell announcement over the week-end said that the company was recalling all the chicken vegetable soup packed at the Paris factory after it was discovered that part of one day's output had been contaminated.

Paralyse system

The offending day was July 15 and the company said that it was the death on June 30 of a New York banker and the serious illness of his wife after both

each containing 24 or 48 cans of the condensed soup) that had been distributed in 16 states in the south and the west. This was the first recall for suspicion of botulism poisoning in the com- pany's history, Campbell's said.

Botulism poisoning can paralyse the nervous system. It is caused by the toxin botulin, which is produced by the bacterium, *clostridium botulinum*. Normally the germ is killed off by thorough heating and cooking of the canned items; until two cases emerged this summer, instances of it occurring in com- mercial products in this country were very few and far between. According to official figures only 50 people have died from it in the U.S. In the last ten years, almost all of them after consum- ing home-canned or home- bottled foods.

However, national attention was focussed on the disease by the death on June 30 of a New York banker and the serious illness of his wife after both

White House concern at South Vietnam elections

BY OUR FOREIGN STAFF

PRESTIDIT NIXON was under- stood to be very concerned at yesterday's decision by South Vietnam's Vice-President Nguyen Cao Ky to withdraw from the Presidential elections. The White House has exerted considerable pressure upon Mr. Ky to put himself forward as a presidential candidate. There was no immediate comment in Washington but in Saigon an American Embassy spokesman said: "We regret the decision of Vice-President Ky not to contest the election. We are studying the implications of the situation and have no further comment at this time."

Mr. Ky had originally announced his intention of con- testing the election, due to be held on October 3. However, his candidature was disqualified by the Supreme Court decision which prevented him from possessing sufficient requirements to qualify. However, under pressure from the U.S. Ambassador in Saigon, Mr. Ellsworth Bunker—and it seems on instructions from President Nixon—the Supreme Court suddenly reversed its decision at the week-end.

In refusing yesterday to take up the opportunity to run, there is no one to contest the incum- bent President Thieu. On August 20, another potential candidate, General "Big" Minh, announced that he refused to stand in order to avoid being involved in "a hateful farce." He went on to determine to make use of the elections to consolidate his own power.

Run up

Although Mr. Bunker met yesterday with President Thieu to consider the situation, there was little indication that Mr. Ky would alter his position. How- ever, in view of the U.S. em- bassament at an uncontested election, last minute changes are not ruled out in a run up which has already produced many turnabouts.

Reuter adds from Saigon: Mr. Ky proposed that he and Presi- dent Thieu, who he accused of planning to use the election to consolidate his personal power, should resign together to permit free elections. The chairman of the Senate, Mr. Nguyen Van Huynh, could take over the presidency for the three-month period in which the new elections could be held, the 41-year-old Vice-President suggested.

In his opening statement, Mr. Ky said: "On the basis of the legal irregularities involved and weighing the personal considera- tions, I have decided not to take

part in the elections." The President, Mr. Ky said, "has shown no concern for the country's future and an is- tuation of this kind is determined to make use of the elections to consolidate his own power."

HANOI REACTS

SAIGON, August 23. HANOI Radio reacted with unusual speed to-day, calling Vice-President Nguyen Cao Ky's withdrawal from the South Viet- namese Presidential race "another failure for the Ameri- cans and President Thieu in their arrangement of this election farce." The broadcast was monitored in Saigon only two hours after Mr. Ky made his announcement. Usually it takes Hanoi several days to react to news from Saigon or the Western world. Thieu is the only candi- date in the October 3 election although Ky's name apparently will stay on the ballot. UPI

European News

Balkans support Ceasescu

By Michael Simmons, East European Correspondent

CONGRATULATORY messages from the Albanian leaders and from President Tito of Yugoslavia were among those received by President Ceasescu of Romania yesterday on the occasion of his country's National Day. At the celebratory parade through Bucharest he was joined on the reviewing stand by a high-level military delegation from China. On this occasion he was also joined by Mr. Leszeko, a Soviet Deputy Prime Minister, but not by any other senior functionaries from Eastern Europe.

It was reported from Hong Kong yesterday that China had used Romania's National Day to emphasise the "revolutionary friendship" that existed between the two countries. They were described at a Romanian reception in Peking as "close brothers who have sympathised with, supported and helped each other."

China's message can hardly have pleased the Kremlin which has only very formal congratula- tions to President Ceasescu. The Romanian Ambassador in Peking, Mr. Aurel Duma, said the Peking reception to under- line "friendly relations between Romania and Romania, saying the 'militant' unity of the two peoples had been 'constantly strengthened in the common struggle against imperialism, against strength, authoritarianism, and aggression.'"

Finno-Soviet power deal

By Our Own Correspondent

HELSINKI, August 23. IMATRAN Voima Oy, the State-owned power utility of Finland, has signed two big atomic power contracts with Teekonpromex of the Soviet Union. The first, valued at about Fmk550m. (550m.) is for a second nuclear power station.

The second contract, worth about Fmk120m. is for fuel for the first station which the Rus- sians are now building at Loviisa, on the south coast, east of Helsinki. Loviisa One is scheduled for completion in 1976, Loviisa Two in 1978.

The fuel contract for Loviisa One foresees fuel deliveries for 20 years at fixed prices. The two parties have agreed in principle that a smaller fuel contract will be signed for Loviisa Two.

Berlin agreement reached, may be signed next month

BY OUR OWN CORRESPONDENT

BONN, August 23.

AFTER 17 months of negotia- tions, the ambassadors of the Big Four Powers—the U.S., Britain, France and the Soviet Union— have completed the text of an agreement to improve the situa- tion in and around Berlin.

The draft will now be sub- mitted to the four Governments for approval. Assuming there are no hitches, the agreement will be signed by the ambassadors early next month.

The two German Governments will thereupon open negotiations about the technicalities involved. Only when these have been satis- factorily settled will the West German Government start pro- cedure for the ratification of the Moscow and Warsaw treaties by the Bundestag.

Although the text of the four- Power pact will not be published until it is signed, much of its contents have been leaked by the German press in the last few days. The Government admitted to-day that some of these reports had come close to the truth.

Judging from these reports, the agreement is a highly satis-

factory one that will be of real benefit to the people of Berlin. The Soviet Government, it is said, accepted joint responsibility for ensuring unimpeded access to the city. The control by the East German authorities between West Germany and West Berlin is to be limited to identification, and goods trains and lorries are to be sealed before crossing East Germany, thus eliminating lengthy control procedure at check points.

The Berlin Wall is to be opened to allow visits by West Berliners to the eastern sector of the city. This will put them on the same footing as West Germans. Details of the visits scheme are to be worked out by the East and West Germans.

As to the problem of the West German Federal presence in West Berlin, the Russians appear to have been reasonably con- ciliatory. The various Federal officers in the city are to be allowed to remain there. Nor will the Russians raise objections to the visits of the Federal Presi- dent, the Chancellor and Federal Government Ministers to West

Meetings of the Federal Parlia- ment will not take place in West Berlin nor will there be any more "Bundesstag weeks," in which all the Parliamentary com- mittees of the Bundestag trans- fer their business to West Berlin.

It seems that the Western Allies have agreed to allow the Russians to act as a constant general in West Berlin. This will be accredited not to the Berlin Senate hut to the Western Powers.

The West German Government is not commenting officially on the agreement until it has been signed and published but there is no doubt that the Government is satisfied with it. Apart from containing several practical improve- ments, it promises to break the deadlock of Herr Brandt's Ostpolitik.

For their 33rd session to-day, the four ambassadors met in the residence of the United States ambassador in Bonn, Berlin and Bonn, as hitherto, in the building of the old Allied Control Council.

German union presses for 10%

BY CHRISTOPHER LORENZ

BONN, August 23.

WEST GERMANY'S union of metal workers, I. C. Metall, is expected to present the Federal Government with a demand for basic wage increases of 10 per cent. and more during the next few weeks. Two of the country's 14 negotiating regions have just inside their claims: Hamburg is demanding 10 per cent., Hanover 10.4 per cent. Neither of these figures include fringe benefits such as extra holidays or bonuses.

By the end of this week the other 12 will have staked their claims. The I. C. Metall Board met next Monday to consider the regional demands. A union spokesman said to-day that they were expected to be of about the same size as those made by Ham- burg and Hanover and would probably get head office approval.

Although the claims look like being considerably below the average 15 per cent. originally demanded before last year's wage negotiations, this will not make them more palatable to an indus- try whose profits are under pressure and which is particu- larly affected by President Nixon's new economic policy.

The Government is concerned that the final settlement should not exceed 7.5 per cent. This is naturally rejected by the union as completely out of the question. The employers are not expected to make their negotia- ting position public until the first round of talks start, proba- bly in mid-September, but the offer will be well below 7.5 per cent. With both sides apparently preparing for a lengthy dispute to bring about a tax on employers in the Paris area in order to help meet the public transport system's operating deficit.

independent research institute which states that last year the metal industries net profits were 31 per cent. below the 1969 level. I. C. Metall, for its part, has warned that the effects of the 10 per cent. U.S. import surcharge on the industry should not be exaggerated. Meanwhile Daimler-Benz, the Stuttgart-based motor company has said that under present cir- cumstances it does not intend to raise its prices, although it may have to think again if further cost increases, particularly on the labour front, occur. Last week-end Volkswagen raised its prices by an average of 1.3 per cent., and earlier this month Ford and Opel announced price rises of 3 per cent.

Mitterrand emerges as the opposition leader

BY ADRIAN DICKS

PARIS, August 23.

What has made political obser- vers here prick up their ears, however, is the Prime Minister's decision to reply directly to M. Mitterrand's charges—most of which have also been levelled by other lobbyists. In doing so, it is argued, M. Chaban-Delmas is helping support M. Mitterrand's credibility as a "leader of the opposition"—a function which does not exist in French politics.

The Prime Minister also sug- gests that the whole subject of nationalised industry policy be referred to a "serious" debate in the National Assembly, which he presumes will give the Socialist leader the chance to play a leading role.

M. Mitterrand, although he remains far from commanding general support among the oppo- sition, has nevertheless strengthened his position considerably in recent weeks, start- ing with a reworking of the Socialists' own forces.

Primacy of the old guard

BY PAUL LENDVAI

THE RUMOURS about joint Soviet-Bulgarian military manoeuvres, the Yugoslav pro- tests against the violation of Yugoslav air space by two Bul- garian aircraft and the occasional flare-up of bitter polemics over the Macedonian question be- tween Belgrade and Sofia seem to confirm the widespread suspi- cions in the Balkans that in the Soviet-sponsored current psychological warfare against both Romania and Yugoslavia, neighbouring Bulgaria has once again been allotted a key role.

Though seemingly an isolated outpost of Soviet influence, Bul- garia, traditionally the most loyal Soviet ally, can also serve as a launching pad for an offensive Soviet strategy in the Balkans.

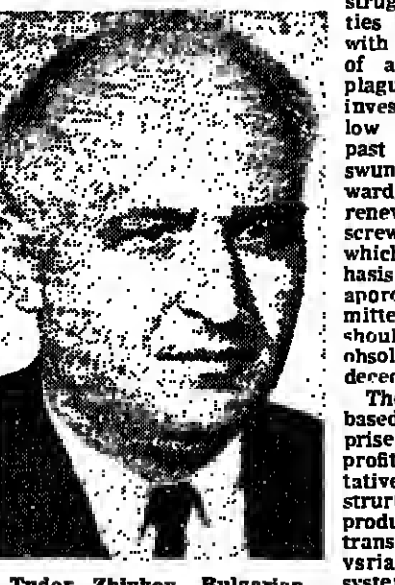
In view of Bulgaria's strategic and political importance in the Balkans, recent developments such as the Government reorgan- isation coupled with a reshuffle in the top echelons, the central- isation of economic decision- making and repercussions after the April Party Congress merit special attention. The major political events of the Congress included the election of a new Party leadership and the adop- tion of the Five Year Plan for 1971-75, followed in July by the establishment of the newly con- stituted State Council and the election of a new Government.

In defiance

Though Bulgarian officials deeply resent the implications made in remarks by foreign visi- tors that they are a mere depen- dency of the Soviet Union, it is a fact that no East European country is integrated so closely—and not only in the economic field—with the Soviet Union as Bulgaria. This in turn means that major personnel and policy decisions are unlikely to be made without the knowledge, let alone in defiance, of the Krem- lin. It is safe to assume, there- fore, that the continued primacy of the old guard in the leader- ship and the switch from a limited experimentation with economic reforms back to recent- isation reflect the Soviet op- tion in favour of continuity.

On the eve of the Party Con- gress, for example, Bulgarian officials and diplomats confi- dently predicted in private con- versations that a radical rejuv- enation within the top echelon would take place. Nothing of the sort happened and to general surprise the 11-member Polit- bureau remained exactly as it was before. Instead of the faster promotion of able and younger cadres, as often promised in the

past, Todor Pavlov, the 81-year- old erstwhile ideological "pope" of the Stalin era and three other veterans in their mid-seventies were re-elected as members of the top party body. As a result, the Bulgarian Politburo with an average age of 63 is the oldest in Eastern Europe. This lack of change is generally regarded as a demonstrative concession to



Todor Zhivkov, Bulgarian party leader.

several, however, exploded in 1969 and long after what seemed to be the conclusion of the in- vestigations, Avramov was busy making trips to London, Bonn and Moscow.

Subsequent events indicate that the real reasons for Avramov's disgrace and further personnel changes must be sought in the behind-the-scenes struggles over economic priori- ties and the settling of scores with those previously in charge of an over-extended economy, plagued as before by inefficient investments, poor quality and low productivity. During the past few years, the Party line swung wildly backward and for- ward, from more freedom to renewed tightening of the screws. A new economic system, which started in an experimental basis in 1964 and was finally approved by the Central Com- mittee in the spring of 1968, should have revamped the obsolete rigid planning and decentralised the economy.

The reform blueprint was based on more powers for enter- prise managers, the use of the profit motive instead of quanti- tative planning indices, a wage structure more closely tied to production results and a gradual transition to a three-tier (fixed, variable and "free") price system.

Faced with the resistance of many influential functionaries, the much-publicised new system remained largely on paper. By mid-1968, the bargaining of the Soviet Party line and the crisis in Czechoslovakia had combined to bring about this limited economic spring-cleaning to an abrupt halt. There followed a long period of wavering ending in a return to full-scale cen- tralisation. The number of vertically integrated trusts last December was halved to 65. More important still, these large cor- porations are no longer inter- connecting links between enter- prises and Ministries but act as unified economic organisations. In other words, the previously independent enterprises become more sub-divisions, losing their economic independence.

A similar process is underway in agriculture where some 150 so-called agro-industrial com- plexes, with average size of 20,000 hectares (about 50,000 acres) each should replace and concentrate the 800 collective farms. Though founded less than two years ago, two banks in charge of financing industry and agriculture were merged at the beginning of this year with the National Bank. By contrast,

the Ministries of Construction and Architecture were merged at the end of 1968 only to be split up again last July in the course of the Government reorganisa- tion. As a matter of fact, the repeated postponement of the Party Congress and of the general elections clearly indica- ted deadlock in the debate over the future manner and pace of industrialisation. The new Five Year Plan is still based on a continuing obsession with over- all maximisation of growth and grandiose investment projects. Thus overall industrial output in 1971-75 is scheduled to rise by 55 to 60 per cent. but the production of consumer goods only by 50 per cent. After the publication of the Plan put before the opening of the Con- gress, Avramov publicly announ- ced a reconsideration of the proportions between heavy and light industries, criticised the "slavish acceptance" of the priority of the heavy industry and pleaded for a more con- sumer-oriented policy.

The recurrent spales of admi- nistrative reorganisations and personal reshuffles as well as the repeated postponement of the Party Congress and of the general elections clearly indica- ted deadlock in the debate over the future manner and pace of industrialisation. The new Five Year Plan is still based on a continuing obsession with over- all maximisation of growth and grandiose investment projects. Thus overall industrial output in 1971-75 is scheduled to rise by 55 to 60 per cent. but the production of consumer goods only by 50 per cent. After the publication of the Plan put before the opening of the Con- gress, Avramov publicly announ- ced a reconsideration of the proportions between heavy and light industries, criticised the "slavish acceptance" of the priority of the heavy industry and pleaded for a more con- sumer-oriented policy.

Able man

This unprecedented criticism of a Party document must have accelerated the fall of a man whom the Party leader, Mr. Todor Zhivkov, is said to have regarded as being "far too ambi- tious." When last July Mr. Zhivkov took over the post of the Chairman of the newly-con- stituted State Council, he gave the stilted State Council premie- rship. It was however Mr. Stanko Todorov, a secretary of the Central Committee who became his successor—and not Mr. Zhivkov Zhivkov (no relation of the party leader) the long- time number two in the Govern- ment as First Deputy Premier. Mr. Zhivkov Zhivkov, only two years ago appointed Chairman of the powerful Committee for Economic Coordination has now been demoted to the rank of one of the five Deputy Premiers. To add insult to injury, two of his former subordinates have been promoted to the post of First Deputy Premier. The demise of the slightly able man, closely identified with the reform course is a further significant straw in the wind. Those who seek radical or at the very least meaningful reforms in Bulgaria must wait a while.

Other Overseas News

IN BRIEF

● **SOUTH AFRICAN** Foreign Minister, Dr. Hilgard Muller, said that visits like those of Malawi President, Dr. Kamuzu Banda, contributed to a better understanding of South Africa. He said the visit proved South Africa's policy of friendship towards other black African states was "beyond the desired effect."

● **GHANA'S** parliament began a stormy debate on an urgent bill which seeks to oulaway the revival in any form of ex-President Kwame Nkrumah's Convention People's Party. Under the bill it will be a criminal offence to promote by any means the restoration of Dr. Nkrumah as head of state or to publicly display his photograph.

● Dr. Nkrumah, now 61, has been living in Guinea since he was overthrown by the 1966 coup while on his way to Peking.

● **SOUTH AFRICA** terrorism trial of the Anglian Dean of Johannesburg has been adjourned until September 7. During the adjournment, testimony will be taken from six witnesses in London, including Miss Allison Norman, niece of the late Baron of England governor, Lord Norman.

● **CAIRO**—The International Confederation of Arab Trade Unions warned Britain, Germany and Switzerland against a boycott of Libyan airlines. The Confederation's Secretary-General, Fawzi el-Sayed, called the International Aviation Federation warning that a boycott would be met by a similar boycott of British, German and Swiss airlines in Arab airports.

● **INDIA'S** latest official statistics place the total refugee influx at 7,562,000. The daily arrival rate sharply increased to 69,000 on average per week, 40,000 to West Bengal alone, where influx now totals 3,200,000.

● **SEOUL**—23 prisoners broke out of a stockade on an island off the west coast of South Korea raising a scare of a North Korean guerrilla attack. Though all 23 were later killed or wounded, the breakout resulted in the capital being placed under special alert and the Defence Minister offering his resignation.

Kapwewe move astounds Zambia

By Bridget Bloom, Africa Correspondent

ZAMBIA was still awaiting detailed news last night of the week-end's bombshell announcement that Simon Kapwewe, a former Vice President and Minister of Local Government, had resigned from his post in order to form a party in opposition to President Kaunda.

At a news conference in Lusaka on Sunday, Mr. Kapwewe promised to give details of the constitution of the new United Front Party on Monday and to spell out who, among senior politicians, were prepared to desert the ruling United National Independence Party (UNIP) and support the UFP. It is these names which are eagerly awaited for they will largely determine the extent to which Mr. Kapwewe's move threatens President Kaunda's own position.

Sources in Lusaka last night said that although the details were expected soon, the UFP, despite Mr. Kapwewe's announcement, had still not been formally registered as a new party.

KENYA

A plot quietly forgotten

By Our Nairobi Correspondent

IT IS PERHAPS still too early to judge whether the ripples that recently disturbed the calm of Kenya's political pond have now subsided. But the fact that the late Mr. Daniel arap Moi, who has lived up to his reputation as statesman and political tactician, who can dismiss "little local difficulties" with a minimum of fuss and a maximum of effect.

Two months ago Kenya was riven by the sudden announcement that anti-government plotters were to be brought to trial—the first such occasion since independence eight years ago. Twelve conspirators duly appeared, including a former justice minister, a cashiered army officer and a university lecturer. Within weeks, the Chief of Defence Staff had resigned, and so had the Chief Justice. Yet today, as a result of his special pardon which is rarely granted, a name as high as his in independent Africa, calm has returned.

Imprisonment

The "plot" was a bizarre affair. Evidence before the courts presented a picture of a group of politically ambitious but tactless junior ministers who, only implicated after the trial had started, were brought in early June, was of conspiracy to overthrow the Government; the accused confessed, and were sentenced to terms of imprisonment ranging from nine to seven and a half years.

The plotters twice tried to solicit the material and moral support of President Nyerere in

Marcos suspends Habeas Corpus in Philippines

By Harvey Stockwin

MANILA, August 23.

PRESIDENT Marcos, claiming that the Philippines was subject to rebellion and insurrection, has indefinitely suspended Habeas Corpus rights and has said that "if necessary" he would not hesitate to declare martial law.

The surprise announcement—which in effect allows for preventive detention—comes in the wake of increasing political violence, culminating in the throwing of hand grenades at an opposition Liberal Party rally in Manila on Saturday evening, in which nine died, nearly 100 were injured and all the Liberal candidates in the current Senate election were hospitalized.

The President read his proclamation, actually signed on Saturday, but only announced today—on newsmen at the Presidential Palace. The proclamation blamed subversives for violence, saying that they had "infiltrated nearly every segment of our society" with the intention of supplanting the present Filipino system with one based on Marxist-Leninist-Maoist teachings and beliefs. The

President's proclamation said that the rebellion was abetted by an unnamed foreign power.

CHINA

The President said that the extraordinary powers would be used with "prudence and caution" but would continue as long as they were necessary. Asked whether this meant he would declare martial law, President Marcos said he would only declare martial law "if necessary" but if it is necessary I will not hesitate.

The President refused to say whether China was the country involved. He also refused to give details of the circumstances that made the proclamation necessary. He said the last suspended in the Philippines Government Commission on October 22, 1960 when Communist Huk insurgents threatened to take over Manila itself. While no such threat appears present at the moment, the President's action suggests a conviction that last Saturday's assault indicated members of the bloody meeting marked the beginning of an urban terrorist

campaign by left wing elements. Yesterday Government agencies took several thousand activists into custody including the would-be secretary general of the main Maoist student organisation.

But critics of the president are quick to point out that Marcos has implicitly taken the more autocratic powers towards which they have long claimed he would move. When habeas corpus was suspended in 1950, more reasons were provided for the Government action than have been forthcoming on this occasion.

UPI adds: Authorities said they were trying to establish if bomb attacks on Sunday night on a main water line, the Manila city hall and the office of the Government Commission on Elections in Manila were connected with Saturday's incident. Brig. Gen. Eduardo Garcia, chief of the Philippine Constabulary, said that initial investigation into the Saturday assault indicated members of the Communist New People's Army (NPA) were responsible.

Dayan elaborates his 'thoughts'

By Our Own Correspondent

TEL AVIV, August 23.

ISRAELI Defence Minister, Moshe Dayan, in a broadcast yesterday elaborated his ideas on the line which in his opinion Israel has to take in the territories occupied since the Six Day War. Expressing what he called "thought fragments" the

Defence Minister stressed that the permanent border to which Israel should aspire does not necessarily have to provide for the presence of Israeli forces on the Suez Canal but that Egypt, on the other hand, "should learn to accept the fact of Israel remaining at Sharm El Sheikh within the context of a permanent border."

Regarding a permanent settlement with Jordan, Gen. Dayan declared that this must include the continued presence of Israeli defence forces on the Jordan River line and "cannot but provide for Israel's right to settle in any place whatsoever on the

West Bank of the Jordan—provided this is in no way prejudicial to the (Arab) population of these areas."

Until a permanent settlement is reached he added, "there must be Israeli activity in the (occupied) area which is not conditional upon—but without a change in these spheres there will cease to be refugees in the world even if they continue to retain the status of refugees as far as property claims are concerned and what they receive from UNRWA," he explained.

Meanwhile, Shlomo Al Jabari, the Mayor of Hebron, toured Tel Aviv today—the first time that an Arab mayor of a West Bank town has visited an Israeli city as the official guest of the municipality. He expressed the hope that the Israeli authorities will assist in the establishment of an Arab university in the West Bank and that West Bank students will be admitted to Tel Aviv's

administration which puts off activities or abstains from them altogether. As an example he cited the programme for the quarters in the Gaza Strip.

"If the people's lives undergo a change in these spheres there will cease to be refugees in the world even if they continue to retain the status of refugees as far as property claims are concerned and what they receive from UNRWA," he explained.

Meanwhile, Shlomo Al Jabari, the Mayor of Hebron, toured Tel Aviv today—the first time that an Arab mayor of a West Bank town has visited an Israeli city as the official guest of the municipality. He expressed the hope that the Israeli authorities will assist in the establishment of an Arab university in the West Bank and that West Bank students will be admitted to Tel Aviv's

Talks advance on Oman entry to Arab League

By Our Own Correspondent

CAIRO, August 23.

A MEETING was scheduled to take place this morning at the Bristol Hotel, Beirut, between representatives of the Ruler of Oman, Sultan Qabus, and of the exiled Imam Ghalib Beo Ali under the chairmanship of Arab League Secretary-General Salim Al Yafi.

The meeting is the result of Arab League efforts to bring about a reconciliation between Sultan Qabus and the Imam, who was exiled in 1955 by Qabus' deposed father, Sultan Said Ben Teymour.

Oman's recognition by the Arab states and subsequent entry into the United Nations depends on this reconciliation. The Imam will be represented at the talks by his younger brother, Talib Ibn Ali who has been living with him in Saudi Arabia. The Sultan's representatives are Ihsan Ibn Ali Al Khalili and Ahmed Abd Mekki.

The Imam himself arrived in Beirut yesterday from Cairo, where he has been holding talks with Arab League officials since August 10. According to informed sources, the Imam would be willing to effect a reconciliation that

would allow him to return to Oman and be recognised as the country's religious leader, but he is likely to ask for guarantees concerning the country's independence and representation of the people.

The Imam's concern about Oman's independence is understood to refer to his links with Britain. The Imam led an insurrection against the ex-Sultan in the 50's which was put down with the help of British troops.

He has since been living in Saudi Arabia, which together with some other Arab states has recognised him as the true Ruler of Oman. Sultan Qabus seized power from his father in July 1970, and has tried to gain recognition for Oman as an independent country. In March the Imam blocked his application for admission to the Arab League but the Sultan has since won the backing of at least six of the 14 Arab states. King Feisal has indicated that Saudi Arabia would recognise Oman, provided there was a reconciliation between the Sultan and the Imam. It is understood that the Imam will follow the Saudi lead on the matter.

India may raise Bengal at UN

NEW DELHI, August 23.

THE Indian Government is considering whether to raise the East Pakistan crisis and the influx of 5m. refugees into India at the United Nations General Assembly, official sources said today. The sources stressed that no decision had yet been taken. A prime consideration would be whether bringing the issue before the world body would benefit the cause of East Pakistan.

India has so far resisted all attempts to raise the question in the Security Council on the grounds that it is not a dispute between India and Pakistan but between West and East Pakistan. But the sources expect that the question will be raised in the assembly even if it is not formally inscribed on the agenda. Opportunities could arise in the budgetary committee on the finances of the UN representatives now in East Pakistan or in other forums.

It would not necessarily be India which would take the lead, the sources said. But Foreign Minister Swaran Singh, who is expected to lead the Indian delegation, is certain to refer to the crisis during his policy statement in the debate at the start of the session.

Export News

LICENSING

Newall link with U.S. machine tool group

AN agreement has been reached between the Newall Group, Peterborough, and the Cross Company of Detroit for the distribution and service of Newall machine tool products throughout the U.S.

The Cross Company is one of America's leading machine tool manufacturers with factories in Detroit, England and Germany.

The agreement will mean that Newall will have a very strong distribution and service organisation behind its products both in the automotive industry through direct selling by the Cross Company sales organisation and in other industries through a dealer agency network which Cross proposes setting up.

Mr. Ralph Cross, president of the company, has stated that he proposes spending a considerable sum of money in organising his distribution network.

A licensing agreement is now being concluded which will give the Cross Company manufacturing rights of certain Newall products in the U.S. The selling agreement was signed in Detroit by Mr. Ralph Cross and Mr. James C. Player, vice-chairman of the Newall Machine Tool Company.

Rolling mill deal for Italy

THE Poles concern Loewy Robert Engineering Company, a Davy-Asbome company, has granted a license to Danieli and G. S.p.A. of Buttrio, Udine, Italy, to build rolling mills and ancillary equipment to process strip, sheet and foil products. It includes the advanced technology for hydraulic position control, constant gap mills. These mills are capable of producing strip and sheet consistently to high standards of accuracy, with consequent improved yield from the plant.

Loewy Robert has already sold 25 such mills both in the U.K. and abroad. Danieli will have exclusive rights for the sale and manufacture of this Loewy Robert equipment in Italy, and joint exclusive rights with Loewy Robert in West Germany, Poland, Czechoslovakia and other territories throughout the world.

Chinese team "explores" U.K. prospects

A 12-MAN telecommunications delegation from China has arrived in Britain for a fortnight's stay as guests of the Government. It is expected to visit some of the leading manufacturers in the country during its stay and on Wednesday of next week to be received by the responsible minister in their field, Mr. Christopher Chataway. At the head of the delegation is Mr. Chung Fensien, Director of the General Administration of Telecommunications in China, equivalent to ministerial status. Since the visit is primarily of a Government-to-Government nature, it is expected that any buying or selling will take place.

However, until the start of the Cultural Revolution in 1966-67, China had shown a long-standing interest in the country's equipment, even making occasional purchases. It is considered highly likely that substantial purchases could come after this exploratory mission.

The choice of theme for the current visit was made by the Chinese. Mr. Chung is the first visitor of ministerial status to come to the U.K. for several years, and a reception in his honour will be given by the British Government this evening at which the host will be Mr. Frederick Corfield, Minister for Aerospace.

Last May a seven-man electronics team from China, headed by Mr. Teog Kuo-chun, and representing the Chinese National Machinery Import-Export Corporation, visited the International Electronic Components Show in London. It was known at that time that the development of the Chinese electronics industry was being given high priority by the Government in Peking, and that a campaign to increase manufacturing capacity had been initiated.

The present delegation met Mr. W. Ryland, chairman of the Post Office, and Mr. Edward Penness, the Post Office's managing director. Its programme takes in visits to the satellite communication station at Goonhilly in Cornwall and the Post Office Tower in London. The companies to be visited were last night expected to include Ferranti (in Edinburgh); Telecommunications (Govt.); Plessey Telecommunications (Nottingham); Marconi (St. Albans and Chelmsford); and Pye (Cambridge). U.K. trade with China in 1970 came to about £78m, including a surplus in Britain's favour of just over £11m.

THE COMMON MARKET

The first steps to keep home customers happy

ALTHOUGH the argument about whether or not we should join the Common Market is still nominally undecided, it now seems almost certain that we will enter at the beginning of 1973. Many companies will be waiting the final vote in Parliament before doing anything positive about Europe. They may, however, be leaving things too late. Sixteen months can be a very short time in which to enter a new market, particularly in the case of manufacturers of complex products.

For manufacturing companies, entry to Europe will have two basic effects: an adverse effect arising from new competition at home; a favourable effect arising from new opportunities in Europe.

The adverse effect will appear when the company does the favourable effect represents an opportunity and depends upon the company's own efforts. It follows that to do nothing must be harmful.

On the home front the company's current position should be critically examined to find out what weaknesses the new competition could exploit, and on the European front its strengths should be analysed as the first step to using them to develop opportunities in Europe.

"In the last analysis customer loyalty is largely a matter of habit."

In the existing U.K. market no manufacturer can afford to be complacent. In the last analysis, customer loyalty is largely a matter of habit. But habit can be broken only too easily by determined competition, especially when backed with well made, economically priced products.

The first step in making sure that the home base is secure is a really critical analysis of the company's strengths and weaknesses. For example: Is the product really as good as it can be made at the price? Is the price suitable for the market? Do customers get first class

It seems certain that Britain will enter the Common Market at the beginning of 1973. James Lines, chairman of TEAM (Management Consultants) points out in the first of two articles that British companies will have to look to their laurels in the home market if they wish to challenge successfully abroad.

service? Have they even been asked lately whether or not they are satisfied? Do they receive deliveries on time—always, sometimes, or never? How many middle men take an intermediate profit? Could a more direct route be developed?

Is there a firm brand image? Is this supported with good communications?

"Almost every company believes that its own products are the best on the market."

Objectivity is essential. A company's real strengths are often not what they seem to those most closely involved. Almost every company believes that its own products are the best on the market. This is one of its relative strengths. Often, this is an illusion and the real source of strength may be a well established brand name or an unrecognised price advantage.

To have the best chance of meeting the new competition when it comes, the company's products should be known by name, competitive in price, of well controlled quality, be delivered on time and be supported by the best possible after sales service. These things must be seen from the customer's viewpoint, not just from the supplier's viewpoint.

If they are all true there is one last question, perhaps the most important of all. When were customers last offered something new—not just a facelift of an old design—but a fundamental re-think of product performance, technical design, or visual design?

This question takes on added importance because the Continent will offer the attraction of novelty on a wider scale than ever before. Even chain stores goods bought abroad take on a new exciting "different" image as they cross the frontier on the way home. The attraction of novelty is universal and does not apply just to consumer goods.

Defensive action is, however, not enough. It will help to reduce but probably not prevent the profit erosion by European competition. The offensive battle is the one that takes time to prepare. It is not by accident that military metaphors are used so often in marketing. Reconnaissance, selection of short and long-term objectives, detailed planning and concentration of forces on a narrow front all play their part in a successful entry into Europe.

"The most common weakness in exporting is to spread effort too thinly."

Again, the first step is to be self-aware. Self-analysis carried out as objectively as possible will define what the company has to offer Europe and what resources it has to back entry.

Europe may be one market to an economist, but as every marketing man knows, to a manufacturer it represents a vast range of different but overlapping markets. The most common weakness in exporting is to spread effort too thinly. Any company new to Europe should select a few specific markets, which have the highest probability of success, and then concentrate intensive effort on these.

W. German expansion for Wadkin, Hancock

By David Curry, Exports Editor

WADKIN, of Leicester, which is claimed to be the world's largest producer of woodworking machinery and substantial manufacturers of numerically controlled machine tools, has set up a company in West Germany. Based in Frankfurt, the new company—Wadkin GmbH—is to be the launching pad for hosting the company's sales in Europe, especially within the European Community and the Eastern Bloc, the company declares.

Wadkin, which already exports 45 per cent of turnover, has recently introduced its Timber Tape range of woodworking machines, believed to be the world's first commercial application of numerically controlled technology to general purpose woodworking machinery.

Wadkin's chairman, Mr. William Sims, commented: "There is no doubt in my mind that there is tremendous international interest in our new range and I am sure that the West German company will help us to take advantage of the undoubted technical lead we now have over our competitors."

"We took £250,000 worth of orders in the two weeks in June when we held our own exhibition to launch this revolutionary range of equipment and another £25m. worth of business is currently under negotiation."

Timber Tape is expected by the company to revolutionise production methods in the timber, joinery and furniture industries because it virtually eliminates setting-up time, a process which in machine tools can take as long as two hours.

Wadkin's West German company will initially be a sales venture but servicing facilities will also be provided.

Transfer

The design and manufacture of large flamecutting machines and systems has been transferred by the Hancock Division of G. D. Peters and Co. from Slough to a new company formed for the purpose in Germany. The manufacture of small and medium sized flamecutters is to continue at its Windsor works in Slough, which remains the centre for Peters' worldwide sales direction.

The new German company, Hancock Brennschneid Automatik GmbH, of Frankfurt, is headed by Herr Rudolf Strauss.

STEAM VALVE AGREEMENT

Hattersley Newman, Hender, of Ormskirk, and Dewrance and Co., of Skelmersdale, have agreed to transfer the manufacture and marketing of the low-pressure ranges of De Laval, Brown, Fox and steel line valves to Hattersley Newman Hender.

The products concerned are the standard range of line valves for steam services up to a pressure rating of about 150 p.s.i., one of the ranges in which Dewrance has specialised. Dewrance will progressively phase out all production of standard line valves in this category.

Both companies stress that the changeover will not affect quality and performance. They will continue to co-operate on future designs.

ECGD backing for £5.5m. deal

THE Export Credits Guarantee Department has signed a Financial Guarantee covering the financing of a £5.5m. contract between the Murtice Watson Company and C. A. Central Rio Turbio to build a cane sugar factory in Venezuela.

The Financial Agreement, under which a loan of £5.5m. is being made available, was signed in Caracas between Anthony Gibbs and Sons and C. A. Central Rio Turbio. Anthony Gibbs is acting on behalf of a syndicate of banks comprising Clydesdale Bank, Lloyds Bank and the Royal Bank of Scotland.

Minister to visit Algiers trade fair

MR ANTHONY GRANT, Parliamentary Under Secretary of State for Trade, will visit Algiers from August 29 to 31 at the invitation of the Algerian Government. During his visit, Mr. Grant will tour the Algerian International Trade Fair where Britain is represented in a national pavilion for the first time.

Algeria is engaged in an extensive programme of industrialisation under her Four Year Development Plan (1970-74) which envisages investment of some £2,230m. U.K. exports to Algeria have been doubling annually in recent years and from £15m. in 1970. Further substantial increases are expected for this year and British companies have £100m. worth of orders in the pipeline which have yet to appear in the export figures or invisible earnings.

Consolidated Tin Smelters Limited

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar with effect from 24th August, 1971. All correspondence and documents for registration regarding the Stock Registers should in future be sent to:—

Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex.

Telephone: Worthing 44741 (STD Code 0903)

P. J. Norton, Secretary.

مكتبة الأصيل



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Air freight paperwork cleared fast

ON TIME and performing considerably better than might have been expected are expressions the man in the street has, unfortunately, ceased to apply to "mammoth brains" or large computer systems.

However, they are the terms applied by the National Data Processing Service of the Post Office to the £5m. LACES system at London Airport which is designed to control the documentation side of goods inward, with special reference to the requirements of customs and excise. LACES has been a particularly hot point of controversy in the press since the then Minister for Posts, John Stonehouse, two years ago announced the decision to go for British-built hardware but to bring in the U.K. subsidiary of a very large software support organisation—Computer Sciences International—to ensure that the complicated system required to run the computers and the terminals associated with them on a round-the-clock basis would be ready within two years from the award of the contract.

The contention on the U.K. software side was that it would have been better to use American equipment but allow the British experts to show what they could do—on the basis that the hardware battle had been lost but the equally important software fight was still to be won.

World's first

Be that as it may, the first solution was adopted and Mr. K. Barge, head of CSI (U.K.) told the Financial Times yesterday that in his opinion, at the time the contract was awarded, there was no one else in Europe able to carry the £1m. job through to fruition. This was because the system was the first on-line cargo documentation network in the world and because to get it on line had demanded 190,000 instructions in Cobol for the applications programs alone. So far as he knew, this was one of the biggest Cobol jobs so far tackled in this area.

CSI had also delivered a very large real-time monitor and the emphasis had been on a fail-safe system because one of the im-

portant products of the system was Customs and revenue charges against imports.

At the moment, the system is working in conjunction with KLM and the remaining airlines are expected to be added over the next several weeks.

Equipment on site includes two System 472 central processors and supporting peripherals from ICL worth £1m., and £1m. of TV type displays from Cossor of which some 180 are already in the system. The full system will have 220 of these plus some 60 Teletype terminals. The remainder of the money

covers NDPS costs and the building for the centre.

At the moment, the system is working in conjunction with KLM and the remaining airlines are expected to be added over the next several weeks.

Expenditure of an estimated 500 man-years of expert systems and programming effort has resulted in the establishment of a system which puts Heathrow two years ahead of any other major airport in the world. If it can move smoothly from testing to everyday use and provide the vast speed-up in cargo handling and release for which it was designed, the teams which established the system will be able to draw on their success anywhere in the world.

● METALWORKING

Tubes shaped with precision

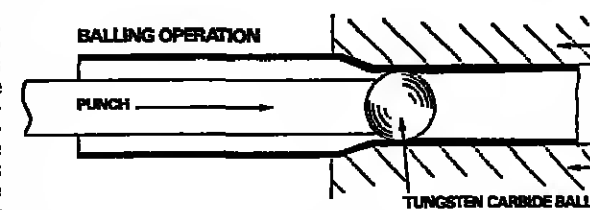
PRECISION tungsten carbide balls for use in "ballizing"—a cold worked bore sizing process which produces a high degree of finish and constant dimensional accuracy—are available from Spheric Engineering, Crawley, Sussex.

The maker claims that the accuracy of the finished hole is about 10 times greater than the original bore. The slightly lubricated high surface finished ball is hydraulically driven through the undersized tube, which is clamped in a die. The tube material undergoes plastic deformation near the surface, followed by "spring back" after the ball has passed. This produces a hole of consistently precise diameter, a work hardened surface and a high degree of surface finish.

Ballizing can be carried out on metals to 40/42 Rockwell Scale C hardness, and on case hardened mild steel. For harder materials the hole is processed after best treatment, or ground prior to ballizing. The maker states it is

possible to hold the bore and outside diameter to a tolerance of 0.004 inch.

Spheric Engineering is believed to be the only company in Europe manufacturing tungsten carbide balls for bore sizing. The company, which has been in operation for about five years, makes balls in a range of limited number of recirculating diameters from 0.05 to 35 mm., tungsten carbide balls.



As shown here Accles and Pollock use tungsten carbide balls in the production of an energy absorbing steering column component. Ballizing is carried out over a section of the tube (of reduced diameter) to size the outside and inside diameters holding the resultant bore and outside diameter to a tolerance of 0.004 inch and eliminating the original taper caused by the reducing operation.

● POLLUTION

Incinerator for oil wastes

FOLLOWING an Alberta government ruling prohibiting pollution from the burning of oil wastes around oilwell operations, Kenning Oilfield Services, of Calgary, has developed a burn-off incinerator which fits into the wastes pit holding unwanted substances that come to the surface with the oil.

Until the government's decision these waste pits were fired, but the black smoke produced was considered a major air pollution problem. With the incinerator operating the waste is burnt without smoke emission.

● MATERIALS

Stainless facing alloy

A HARD-FACING alloy by Stubs Welding comes in two versions—701 as an electrode and 701A for oxy-acetylene. It is a cobalt-chromium-nickel alloy with outstanding resistance to abrasion and heat. The deposit metal is also corrosion-resistant.

This new alloy has various applications in maintenance welding—including use on mixer paddles, pug mill blades, conveyor and unloader screws, earth-moving equipment.

With a temperature stability of 600 degrees C. apart from being heat and abrasion resistant, it has other advantages. There is low coefficient of friction and it takes a black polish. Among its important mechanical properties is its tensile strength—up to 40 tons/square inch. It has a hardness up to 54 RC.

Stubs is at Scotland Road, Warrington, Lancs.

● COMPUTERS

Evaluates data tapes

A MACHINE that will classify, repair, clean, test and rewind computer magnetic tapes with minimum operator action has been made available by Computer Ancillaries of Central Trading Estates, Staines, Middlesex. Known as the model 1000 and manufactured by Computer-Link Corporation, it enables dirt, oxide wear, edge damage and drop-outs to be identified, located and corrected before the tape is used on a computer.

The machine has a resettable error counter that switches off the output printer when the preset number of tape errors has been reached. Thus tapes can be classified according to the number of errors they contain without having to rely upon operator judgement or memory.

A special "repair location" facility advances the tape automatically to where it contains the majority of errors, enabling that section to be cut out and the tape then restored to an acceptable condition for use.

The model 1000 is calibrated using the computer's master tape-drive calibration tape. Such compatibility calibration is essential says the company, since otherwise the evaluator would report bad tapes as good and vice versa, thus negating its basic purpose which is to detect defective tapes before the computer does.

Versions are available for 7 and 9 channel data formats at densities of 800 or 1600 bpi. All have complete cycle time of less than 6 minutes, measures 28 x 28 x 17 1/2 inches and weigh 126 lbs.

Scribing by laser

WHAT is claimed to be a low cost laser scribing system, the Model 1301, has been introduced into the U.K. by Avo International of Dover, Kent. Made by TRW Instruments, the system utilises a high pressure, transverse discharge CO₂ laser.

Measuring 40 x 22 x 60 inches, it is designed for micro-circuit applications and scribes several inches per second in a variety of materials to provide exceptionally clean cuts. The table is fully automatic with a three x three inch X-Y motion and rotary operation. Rotary adjustment is

accurate to 30 seconds of arc and spot positioning accuracy is 0.0005 inch.

Dressing grinders

CONCAVE profiling is an important feature of a new grinding wheel dresser, the Temform, made by Ken Yarker, Coventry Road, Leamington Spa. The Temform, for use on cylindrical grinding machines, will form any combination of radii and angles using the template and stylus principle. The diamond cutter and the automatic with a three x three inch X-Y motion and rotary operation. Rotary adjustment is

● METRICATION

Marking metric items

DESPITE FIERCE rear-guard actions attempting to put off the evil day, decimalisation of our coinage conveniently occurred overnight and now seems to have been generally accepted. But in industry it is a very different story—a wide range of "conversion days" have been set, through to the end of 1975, and even then the process will not be complete.

However, the Government has made it clear that metrication in industry must and will take place, and to assist the process the Metrication Board, Kingsway, London WC2B 6LE, is available to offer advice and publications detailing how best to bring products within the general plan.

The Board's latest "Metric Memo," suggests that items which are already wholly metric should be identified by some mark, for

example, the well-known "metric key," or the Ministry of Defence, which is a capital M in a circle. (For equipment which is part metric and part imperial parts could be marked by using a colour code. (The most common colour to indicate a metric item is blue.)

Since, when all items are metric, the signs will be discontinued (but prior to full metrication will be in increasing use), the Board then makes the more sensible suggestion that items still fabricated or supplied in imperial measure should be identified. This additional marking will decrease as fully metric equipment takes over. It may also have the effect of making items more readily to avoid the problems of additional marking.

● SECURITY

Anti-theft device

TAMPER with a car fitted with the Minitronic burglar alarm and the born will sound, says the maker, Stafford King (Electricians), Cambridge Road, Kingston on Thames, Surrey. Stated to be easy to install, it operates on the "disturbance" principle, but can be adjusted to differentiate between "disturbance" and casual movement caused by wind gusts or passing traffic.

Claimed to be a unique feature, the alarm automatically switches off five to 10 seconds after the interference has stopped and resets itself.



● PROCESSING

Curing unit stops pollution

PREHEATING, impregnating with resin and curing of small components at Brookhirst Igranite used to be done on the night shift because noise, smell and smoke produced a pollution problem. The plant could get through six cycles in a shift, producing a total of 500 components. Treating 2,000 components in 16 cycles on the 8-hour day shift has now been supplied by Barlow-Whitney, Bletchley, Bucks, and the company states that the new installation is much more compact than the old.

The plant installed includes a 24 inch x 24 inch autoclave and resin storage unit, and six vertical loading electric ovens with 24 inch cube chambers, two used for preheating and four for curing. Rated at 6kW they provide temperatures up to 200 degrees Centigrade. The vertical ovens were used because they can be served by the same overhead hoist and runway system loading the impregnation unit.

Components are loaded on jigs on which they remain throughout the cycle, which includes preheat at 50 degrees Centigrade

Mechanised diamond polishing

A MECHANICAL "pot" (diamond holder), which enables a polisher to work the stone without the necessity of moving it by hand, but giving easy access to the various parts of the diamond through the mechanical movement of the "pot" has been invented by an Israeli diamond worker and has been awarded a prize by the Israel Diamond Manufacturers' Association, Diamond Exchange Building, Ramat Gan, Israel.

The award was made as part of a drive to mechanise diamond polishing. Two new machines developed by Prof. Z. Zarnitsky of the Technion Institute of Technology, Haifa, are now being tried out prior to commercial production. One automatically grinds and polishes the four lower facets of the diamond—one worker can supervise six machines—while the other mechanically polishes the girdle or rim of the stone.

Mechanical onion peeler

THE problem of peeling some 25,000 tons of onions each year is enough to bring tears to the eyes of the U.K. pickle industry.

By traditional methods, women hand peel the onions with an average output of about 1 cwt per 8-hour day, but rising labour costs combined with increasing reluctance of workers to do such unpleasant work have resulted in mechanised methods being sought.

Various methods, including chemical, flame and abrasive treatments of the skins, have been used, but none has so far resulted in as good an appearance as hand peeled onions. However, a system claimed to give equivalent standards to hand peeled onions has been devised.

Known as the "La Togaro," the system involves four main operations. First, the operator places the onion on to a carrier wheel hook with its axis at right angles to the direction of travel.

● FARMING

High output crack and grind mill

DESIGNED to meet the needs of farmers and provender millers who need an output in excess of 1 ton/hour, a crack and grind mill has been introduced by R. A. Lister and Co., of Dursley Glos. The mill can be incorporated into a farm-feed installation and can be supplied to accept one ingredient only, or can be fitted with a 6-channel proportioner unit. Driven by a 25 hp electric motor, it is fitted with replaceable cracker bars against which the grains are thrown to crack and break the outer skins prior to final grinding by 40 hammers

—reducing the power load and prolonging the life of hammers and screen.

An auger system conveys the ground product from the grinding chamber, eliminating the usual dust problem. When using a 6-channel proportioner unit the mill prevents production of unbalanced ration by automatically stopping if flow of any ingredient ceases.

Mill output varies according to ingredients, their moisture content, and the proportion of the total mix to be ground. For example, when producing a mixture consisting mainly of barley through an 18-inch screen, output is about 1 1/2 tons/hour, while grinding cereals such as maize or including a substantial proportion of ground ingredients, or operating through a coarser screen, the output is greater. Screen range from 3-32 inch to 5-16 inch.

● TRANSPORT

Shunter for road or rail

BRITISH diesel engines are being used to power rail shunting engines called Trambolles—capable of operating on both road and rail—which are being manufactured by NCM of Holland under licence from Whiting of the U.S. The five-ton vehicles, fitted with three-cylinder engines supplied by Perkins Engines, of Peterborough, will replace 14-ton locomotive shunting engines.

A French concern has placed the first order for the shunter following completion of tests in Holland. Operated by one man, the engine can pull a load of 24 wagons with a combined weight of 378 tons at 5 mph.

To change from operating on rail, the driver can bring into use a set of four pneumatic road wheels enabling him to drive straightaway to his next location.

The Perkins three-cylinder engine, weighing only 457 lb, develops 42 bhp at 2,000 rpm. A hydraulically operated coupling device is designed to effect a significant weight transfer from the leading wagon to the Trambolle, in order to give the necessary traction.

● HANDLING

Pedestrian forklift truck

PEDESTRIAN controlled, with a capacity of 3,000 lb. at 24 inches, the latest model in the range of forklift trucks made by Kelving Engineering, London Road, Basing, Hants, has a 5 hp traction motor and can climb a 10 gradient fully laden. Lift speed is 20 ft/min. fully laden, on 16 in. standard forks. Overall length to heel of fork is 77 in.

Computer assisted plotter

A NEW series of flatbed plotters aimed at such industries as aerospace, shipbuilding and motor-car production has been put on

the market by Ferranti's information equipment group, Ferry Road, Edinburgh EH5 2XS. The plotters, designated EP150, are modular in construction and range in draughting area from 2 x 2 metres to 8 x 2 metres.

The standard range of Ferranti plotter control hardware is available for the new machines including linear/circular interpolators and character/vector generators to simplify input data. The plotters can be operated off line, via a paper or magnetic tape, or on-line to a digital computer. Capabilities can be further enhanced by an optional controller based on a PDP-8 computer. By using the controller the need for a remote computer service is eliminated for such operations as parabolic interpolation, "rotation," "windowing" and similar functions.

An extensive software library is available providing routines for curve fitting, n.c. tape verification and contouring, as well as for general-purpose drawing. Ferranti claims that the cost of the new EP150 machines is significantly lower than any competitive system.

● PLASTICS

Wood finish is stable

ACCORDING to Sonneborn and Ueck, of 90-95 Peregrine Road, Iainault, Essex, one of the disadvantages of two-pack polyurethanes in the past has been

instability in the can when this type of finish is stored for a long time. The company claims that with its new 90 49 A & B type, this trouble has been eliminated and that the new product is fast drying, reason-

able in price and combines the high resistance properties associated with synthetic materials with a standard of finish hitherto unavailable from polyurethanes.

Sonneborn and Rieck state that wood finished with the new material showed no adverse effects when treated with boiling water, coffee, nail varnish remover, vinegar, fountain pen ink and lemon juice.

Cooling tower packing

A TYPE of cooling tower packing assembled from specially shaped plastic plates has been introduced by Serrek Visco of Hatfield Road, Croydon CR9 4DT. Known as Conifon, it consists of a number of plates which fit together to form a number of hexagonal tubes ribbed so that water running down them is constantly being turned over. Also each tube is a spiral flight which forces it to the outside surface of the

tube, ensuring maximum air to water contact. The plates pack flat for shipment. It is only when they are then reversed and stacked together that hexagonal tubes are formed. One cubic foot of stacked plates says the company, becomes 44 cubic feet of extended packing. Also Serrek Visco claims that cooling tower efficiency is increased without any increase in volume.

TO THE SHAREHOLDERS OF

USIF, REAL ESTATE

THE PLAN FOR REORGANIZATION OF USIF, REAL ESTATE (A TRUST ESTABLISHED UNDER THE LAWS OF THE COMMONWEALTH OF THE BAHAMA ISLANDS) HAS BEEN MAILED TO ALL SHAREHOLDERS.

SHAREHOLDERS' MEETINGS HAVE BEEN ARRANGED AT:

Sheraton British Colonial Hotel
Nassau, Bahamas
Wednesday, 8 September, 1971 at 10 a.m.

Hotel La Siesta
Panama City, Panama
Friday, 10 September, 1971 at 10 a.m.

Hilton Hotel
Düsseldorf, West Germany
Tuesday, 14 September, 1971 at 10 a.m.

Hilton Hotel
Hong Kong
Tuesday, 21 September, 1971 at 10 a.m.

SHAREHOLDERS MAY OBTAIN ADDITIONAL COPIES BY WRITING TO:

TRUST CORPORATION OF BAHAMAS LIMITED
P.O. Box N 7788, Nassau, N.P., Bahamas



Reactions to U.S. economic measures

Measures soon to aid Community agriculture

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

WITH ALL of the Common Market's currencies except the French franc floating to one degree or another against the dollar, the Brussels Commission is to take action later this week to prevent distortions in Community agricultural trade and prices.

As no parties have officially been changed, the Commission is expected to extend the application of the "compensatory measures" already existing at the German and Dutch borders. The measures, made up of a system of taxes and rebates on farm goods, were introduced after the D-Mark and the Dutch guilder started to float in May.

Under the rules of the Common Agricultural Policy, farm prices in the Community are fixed in "units of account" (equivalent to the gold parity of the U.S. dollar). This means in theory that if a member country's currency floats upwards from its gold parity, the next few days the system would also be applied to Italy. This would in

BRUSSELS, August 23.

effect divide the Community into four farm price zones—Germany, the Benelux, Italy and France.

Under the system as practised at present, the Commission takes a weekly average of the level at which currencies have floated above their parities and modifies the rates of tax accordingly. If, however, no currency floats by more than 2.5 per cent above its parity, the measures are shelved, as the effect on trade is considered minimal.

It is only if official parities are formally changed that the Council of Ministers has to take a new decision at the whole farm price level, and examine whether there is a case for changing the value of the unit of account. This has to take place within three days after a change of parity.

The temporary "compensatory" system can be expected to last at least as long as there are no official parity changes in the Community—that is, almost certainly at least until the next meeting of the Six's Finance Ministers on September 13, and probably at least until the IMF meeting at the end of the month.

GATT prepares to examine surcharge

By David Egli

GENEVA, August 23.

THE TERMS of reference of a GATT working party to review the American imports surcharge were discussed late today in a special meeting of experts of the six countries of the European Common Market as well as representatives of the Brussels Commission. In the absence of Dr. Ralf Dahrendorf, leader of the Community delegation who is expected here tomorrow, no firm decisions were reached. But it is understood that the Six will push for agreement on the widest possible terms for the working party to be set up on Wednesday in order to leave considerable leeway for subsequent discussions.

Much, however, will depend on the personal initiative of Dr. Dahrendorf, who had made it clear that the attitude of the Community will depend on the tone set by Mr. Nathaniel Samuel, deputy U.S. Under-Secretary for Economic Affairs. Other delegations arriving here have also indicated that the American representative would be wise to adopt a more conciliatory attitude than that apparently taken by Washington so far.

The crucial issue in the two-day emergency meeting of the GATT council, opening Tuesday afternoon, lies in these terms of reference because, if set too narrowly, they could preclude a full investigation of American moves in the trade field.

As it is, the Common Market, backed by several other major trading nations, will urge the inclusion of other aspects of the American package. Considerable significance is attached to the incentives to "buy American" and the new system of export tax rebates. Presumably, the Americans would prefer not to have these matters discussed too fully within the framework of GATT.

Diederichs says Rand gold parity will stay

BY GRAHAM HATTON

JOHANNESBURG, August 23.

THE South African Finance Minister Dr. Diederichs announced this evening that the gold parity of the rand will remain unchanged and that foreign exchange transactions will resume tomorrow. For the time being, the Reserve Bank will only quote buying and selling rates for the U.S. dollar.

The decision to maintain parity has been taken since an upward revaluation of the rand, even on a temporary floating basis would mean a lower official price for gold in rand. On the other hand, if sterling floats upwards prices of many of the Republic's imports will rise while exports to the U.K. (and any other upvaluing countries) should benefit.

Industrial circles believe an upvaluation of the currencies of South Africa's main trading partners, such as the U.K. and the U.S., would be welcomed, especially since the July trade figures published today were appalling. With imports at R246m and exports, excluding gold, at R135m, observers are starting to say that

the anti-inflationary measures imposed progressively over the past 12 months are simply not enough to swing the current account of the balance of payments back into surplus.

The annual economic report of the Reserve Bank, also published today, ahead of tomorrow's annual address by the Reserve Bank Governor, shows that the current deficit for the year ended June, 1971, was as much as R1,064m—at a time when the economy was growing at only 4 per cent, and annual inflation in 1969-70, the growth rate was 7 per cent, and the current account deficit R531m.

The gold and foreign exchange reserves were prevented from falling by more than \$500m. In 1970-71, the reserve bank report adds, because the country experienced an all-time record inflow of over \$1,000m. It is being said that part of the reason why imports into South Africa have risen so strongly over the past year has been the

fear of import controls or other measures to restrict imports or make them more expensive. These fears now look like being partially justified since an upvaluation of the currencies of South Africa's major trading partners against the Rand looks a distinct possibility from Johannesburg. This would push up the Rand cost of imports.

Reacting to Dr. Diederichs' statement, the U.S. action in suspending the convertibility of dollars into gold or other reserve assets gave cause for concern from a broad international point of view. "Unless a prompt negotiated solution can be found the world might be heading for a period of uncertainty and disorder in its monetary and trade relationships," he added.

"For this reason I support the call of the Managing Director of the International Monetary Fund, Mr. Schweitzer, for rapid action to reach international agreement on appropriate exchange rates and associated measures."

Australia takes wait and see attitude, but may float

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, August 23.

AUSTRALIAN trading banks have been freed to trade at risk in Sterling, Fiji and New Zealand currencies at risk but the restrictions, imposed in 1959, were announced by the Governor of the Reserve Bank, Mr. J. C. Phillips, Mr. Phillips said the move had been under consideration for some time and had been discussed with banks. The timing to make the changes was influenced by the disturbance in the overseas exchange markets.

At this point, the foreign currency markets are closed, and are not expected to reopen for two days while Australia waits to see how the rest of the world's markets respond to the crisis. Banks here are assisting Australian residents with contractually due settlements and meeting the reasonable needs of travellers. The Australian Association of Banks, which has been asked to bring dealings in the three currencies into line with Reserve Bank policy on the U.S. and Canadian dollar. Up till now, the banks have simply been acting

as agents for the Reserve Bank in Sterling dealings. Now, they can operate on their own account, but there will be limits to the amount of each bank's overall commitment in foreign exchange. Facilities to cover the risk will be available at the Reserve Bank and this ensures that all foreign exchange reserves will still be centralised in the Reserve Bank.

Mr. Phillips also emphasised that in dealings with the public banks were required "for the present to observe rates of exchange for Sterling laid down by the Reserve Bank and these had not been altered. The changes, he said, "are thus administrative only and do not directly affect the public."

Meanwhile, the Vice President of the Australian Industries Association, Mr. J. Vernon, warned today that against revaluation of the Australian currency. If this revaluation from the overseas currency movements, the situation index dropped 190 points.

of manufacturing industry would be critically weakened, he said. In the light of today's events, it is becoming more and more likely that Australia will hitch its dollar to the pound Sterling and let it float with it. For a while, variations from the norm of 3 to 5 per cent are considered tolerable in the short term but if the pound moves beyond these limits either upwards or down, then the Australian situation will be urgently rebought.

The stock exchanges saw blue chip stocks cut further today and new lows for the year were reached by 30 stocks, mostly the top class shares like CRA which slipped below \$47, and Mount Isa Mining, Peko-Wallend and Western Mining dropped below \$43 to \$42.50, and BHP was traded down to \$42.35. The average price index dropped by 14.65 points to 523, and the Sydney all ordinaries dropped 10.5 points, the Sydney metals index dropped 190 points.

Benelux countries joint float has good first day

BY OUR OWN CORRESPONDENT

BRUSSELS, August 23.

THE THREE Benelux countries launched their common monetary front today as their senior EEC partners confronted the dollar crisis in dispersed battle order. In Brussels, the commercial dollar was officially fixed for the day at Bfrs. 48.750 in a trading range of 48.775 to 48.975. The last fixing was Bfrs. 49.5250 on August 13. As the Belgian franc moved marginally up, the guilder came down from its floating level to settle near its parity of 13.61. Traders made it between 13.60 and 14.02.

Neither the Dutch nor the Belgian central banks appear to have had to step into the markets today. The Benelux agreement announced over the weekend provided for their concerted intervention to support the franc and the guilder within margins of 1.5 per cent up or down.

Though the decision of the

their monetary bloc, Belgium, the Netherlands and Luxembourg, called on their partners to try again for a joint position at a new session of the council of ministers early in September. In a letter to the French, West German and Italian Governments, they proposed the dates of September 2-3 for the meeting.

Though a Finance Minister's council had been scheduled for September 13, the Benelux countries felt this was too late and that the session should in any case be attended by foreign ministers so that the situation could be considered from its political rather than technical side.

Our Hague correspondent adds: In the Amsterdam foreign currency market the volume of business was modest today Monday and there was no excitement. The dollar appreciated by about three Dutch cents, compared with Friday's closing price, and closed at Fls.3.481. The day's high and low were Fls.3.50 and Fls.3.473 respectively.

Meanwhile, developments in France are followed with particular attention in Dutch official financial circles. It was noted here today that the spread between the official dollar buying and selling prices set by the Banque de France was astonishingly large. Observers wondered whether this could be a first sign of impending difficulties. The impression here is that the Belgians' experience with the (now defunct) two-tier system does not bode very well for the French. Some people here see a possibility that the French will be unable to cope with another swelling tide of dollars. Since this might force France.

Dollar held better than expected in France

BY ADRIAN DICKS

PARIS, August 23.

THE DOLLAR held up better than was widely expected on the Paris free market today, losing only about 2 per cent against the "financial" franc on the first day of operation of the French two-tier exchange market. It closed at about Frs.547, as against the old official parity of Frs.554. The pound also weakened slightly here.

Over the weekend, some observers here had predicted a much sharper decline for the dollar on the first day of dealing after the Nixon package. The Paris market's reaction, however, was extremely cautious, and on both official and free markets the volume of business was thought to be very small. The Banque de France set its intervention rate at Frs.541.25, the old dollar rate, but was not in evidence in the market today.

Unofficial float in Scandinavia

By Our Own Correspondent

STOCKHOLM, August 23. THE SWEDISH Central Bank announced on exchange rates for the krona yesterday at the daily meeting, preferring, it is understood, to let the krona in effect "float" and the commercial banks and the level. Late yesterday the krona was quoted at 5.08 and a half to 5.09 and a half against the dollar, which is equivalent to slightly more than a one per cent revaluation.

The Danish Central Bank official quotation for the dollar fell to 7.390 against the Danish krone on August 13 and official parity of 7.50. The lower intervention rate against the dollar has been temporarily suspended by the Central Bank in common with Sweden and Norway, what one banking source called a one-way controlled krona float.

The rate yesterday appreciated 1.3 per cent against the dollar. The krona strengthened slightly against sterling and the mark.

The Norwegian Ministry of Trade and Bank of Norway announced today that no new official parity would be used for the U.S. dollar in terms of Norwegian kroner. The krona would be allowed to float upwards against the dollar, but the authorities would try to keep fluctuations in its value within "moderate" limits.

Spanish rates "changeable"

By Our Own Correspondent

MADRID, August 23. SPANISH banks resumed foreign exchange operations today with what amounts to a combination of controlled floats and a two-tier foreign exchange market. Trading in foreign currency bills presented for exchange by tourists was carried out all in officially quoted currency and at the rates published in the State Gazette.

An announcement therein states that these rates are valid for the entire week but "can be changed at short notice." According to the now published list of exchange rates for foreign currencies bills for cash, the position of the U.S. dollar remains unchanged.

Trudeau puts off talks with Heath

By Our Own Correspondent

OTTAWA, August 23.

CANADIAN Prime Minister Trudeau announced today that he had informed Mr. Heath "with much regret" that because of the international economic situation he must postpone his talks with Mr. Heath, scheduled for September 6 at Chequers. Both Prime Ministers hope to find a new date for the discussions in the near future, said Mr. Trudeau's office.

Our Toronto correspondent writes: The Canadian Government is reported to be considering log tax relief as well as direct financial aid to Canadian industries which show they have been really hurt by the 10 per cent surcharge on imports imposed by the U.S.

The Government strategy aims at getting exemptions for as many products as possible, but for those industries that cannot be exempted, Ottawa is considering a programme of tax relief which would be appropriate and direct financial aid for smaller firms whose taxation burden is not heavy.

Canada has not given up hope altogether of a complete exemption from the surcharge.

Austria to set no limits

By Our Own Correspondent

VIENNA, August 23.

WHEN AUSTRIA's foreign exchange market opens tomorrow, floating exchange rates will be allowed for each currency, including the dollar. But the National Bank will see to it that relations with the currencies of Austria's most important trading partners, such as the U.S., Germany and Switzerland, will remain as stable as possible.

The Austrian authorities decided against any strict measures such as foreign exchange controls or two-tier dollar rates. They trust that by daily quotations at the exchange, without setting fluctuation limits, they can keep the parties fairly stable and best serve the country's economic interests.

Finance Minister Mr. Haanes Androsch said to-night that complete agreement on the financial policy had been reached between the Government, the National Bank, the social partners, and the opposition parties on the new measures. With regard to the dollar rate, it will with West Germany be running about 10 per cent above normal, but there was no panic rush to get rid of dollars.

American Express started the morning by quoting \$32 to the pound for travellers' cheques, the same as the close of last week. But soon after the exchange market opened it changed the rate to \$2.48 and was lifted. At National Bank the rate was \$2.48 for notes opened at \$2.56 and went to \$2.49. One of the

Japan 'in no hurry to decide'

BY AL COLLISON

TOKYO, August 23.

JAPAN'S financial adviser Mr. Kashiwagi flew into Tokyo tonight from his week-long meeting with U.S. Under-Secretary for the Treasury Mr. Paul Volcker and said the Government does not need to take a hurried decision about the yen.

He will report to a meeting of the Cabinet Council of Economic Ministers, which has been called to an urgent session tomorrow after a day of sharply falling prices on the Tokyo Stock Exchange and growing pressure for revaluation.

But despite his calming statement it is understood that he received a very cool response in Washington to his proposals which would have involved a dollar devaluation by increasing the price of gold in order to take pressure off the yen. It is understood he suggested a 5 per cent increase in the price of gold to break the current deadlock with the U.S.

According to Tokyo financial circles, Mr. Volcker told him that a devaluation of the dollar would need Congressional approval and this eventually would be highly unlikely under America's current political situation.

But at a press conference tonight Mr. Kashiwagi stressed that the U.S. Government did not expect a hurried yen revaluation and stuck to his insistence that a multi-national meeting would have to proceed any revaluation decision.

In Tokyo, pressure was growing for a quick, unilateral decision by Japan. Mr. Shigeo Nagano, President of the Japan Chamber of Commerce, told reporters that the Government should immediately revalue the yen to break the current deadlock with the U.S.

The Tokyo Stock Market circles, Mr. Volcker told him, approached a near-panic situation before the close as a result of rumours that Japan might eventually be forced to revalue the yen by between 17 and 25 per cent. The Dow Jones average price index dropped by 14.65 points to 523, and the yen 14.65 to yen 216.79 at the end of the day. Sellers became frantic searching for buyers, usually without luck.

The lull on the foreign exchange market is not expected to last. The Bank of Japan has so far purchased \$2,900m in little over a week and one noted banker said today: "The central bank can continue such purchases over the next few weeks is out of the question."

LIBSON—The value of the U.S. dollar fell by nearly 10 per cent on Lisbon foreign exchange markets after an official statement from the Reserve Bank of Portugal declared there would be change in the parity of the U.S. dollar. Quotations by the Bank fixed the U.S. dollar at 230.77 (huyine) (selling). Sterling was unchanged on Portuguese markets.

ATHENS—The dollar rate remained unchanged at 230.77 drachmas, said the Bank. It resumed selling foreign currencies other than the U.S. dollar at prices fixed by the Bank in accordance with their parties yesterday, as announced on Sunday.

HONG KONG—The foreign exchange market was quietly steady after the reopening of European markets. Banks stopped issuing official quotations for the U.S. dollar last week, but currency dealings on the free market have continued at a steady pace. Money-changers were giving 5.57 Hong Kong dollars for each U.S. dollar compared with 5.50 on Wednesday after Typhoon Rose had passed.

KUALA LUMPUR—The Association of Banks in Malaysia and Singapore reopened for foreign exchange dealings today, but only in spot sterling, assessor chairman Mr. Lin Jo Yan said yesterday. There would be no forward dealing in sterling and no dealings in any other currencies. "Tourists would continue to be given assistance by local banks in changing travellers' cheques."

BANGKOK—The U.S. dollar weakened against the Thai baht but Japanese yen and West German marks advanced in private money-changers. Bank said they were waiting for London exchange market quotations before recommending business "because we follow the London market."

TEHRAN—The Iran's Finance Ministry said an official agreement of the dollar would not affect Iran's oil royalties from Western companies, as the were paid in sterling at an officially agreed rate of \$2.40 a

Israel to enforce strict price controls

By Our Own Correspondent

JERUSALEM, Aug. 23.

THE KNESSET (Parliament) today debated the emergency legislation asked for by the Government to enable it to enforce strict control on price rises resulting from yesterday's devaluation of the Israeli pound. For the first time in Israel's lengthy history of devaluation the Government seems intent on preventing profiteering from the devaluation (under the law in theory at least, fines of up to \$10,000 or five times the value of the goods involved and even sentence of imprisonment for up to three years can be imposed on those convicted of violation of the price restrictions).

The threat of this is clearly being brought to the attention of all concerned, since in a booming economy the temptation to raise prices beyond the level justified by the new import prices of high import component of locally-made goods is almost irresistible.

Conversely, excessive rises in the general price level—not only of imported but also of local goods and services—would inevitably set off a new wave of wage demands and strikes. The Government is already being attacked because staple commodities such as sugar, are included among the goods which are going up by as much as 20 per cent. Overall, the Government hopes to keep the rise in the general price level to 5 to 6 per cent, and to pay 6 per cent cost of living allowance as from January 1.

Israel banks in-day resumed trading in foreign currencies (which they were reluctant) to change large amounts. The pound Sterling was quoted at £110.23 against £18.40 previously and the D-Mark at £11.25 against £10.98 prior to the devaluation.

Indonesian rupiah 10% devalued

By Our Own Correspondent

DJAKARTA, August 23.

THE Indonesian Government today announced a 10 per cent devaluation of the rupiah to cope with the effects of the international monetary crisis. The U.S. dollar, which was worth 378, is now worth 413 rupiahs.

The Government statement announced to the Press by the Ministers of Finance and Trade, the Planning Bureau Chief and the Central Bank Governor, mentioned that Indonesia's exports would not be much affected by the U.S. import surcharges. However, they stressed considerable changes in international economic conditions, causing short-term problems which have to be met immediately.

The Government has also abolished various local taxes. The rate change affects general and credit foreign exchange as well. Full two-way convertibility remains.

India seeking U.S. surcharge exemption

By Our Own Correspondent

NEW DELHI, August 23.

THE INDIAN Government has asked the U.S. to exempt all products imported from developing countries from the 10 per cent surcharge recently announced by President Nixon. The duty, it is said, would erode the government's growth points in Indian exports to America.

The American Ambassador, Mr. R. K. Ashworth, was told that the American difficulties were the direct result of the monetary and trade policies of rich nations and that developing countries here in no way responsible for the situation would not be fair, therefore, in their policy and innocent alike.

The surcharge would affect 15 per cent of India's total exports of the order of Rs.300m. America offered items which would be exempted: goods, footwear, leather footwear and jute goods.

EEC steel producers' warning

PARIS, August 23.

JACQUES FERRY, President of the French Steel Producers Federation, said that if the 10 per cent U.S. import surtax was applied to Common Market steel exports to the U.S., the 1968 voluntary agreement to restrict Common Market exports would be considered immediately null and void.

Ferry is due to start negotiations in Washington in September aimed at renewing the agreement which expires at the end of this year, but he ruled out any extension if the surtax was maintained. He is also current president of the Common Market Steel Producers Association and informed sources here said the statement reflected the views of the European producers as a whole.

Italy satisfied at stable market development

BY PETER TUMIATI

ROME, August 23.

WHEN the Italian currency market closed today the lira, at 617.55 to the dollar, showed a revaluation on its official parity (lire 636 to the dollar) of about 12 per cent. The "parallel" market for unofficial capital operations was at a virtual standstill, but the nominal rate was given at between lire 620 and 630 in the dollar.

The Bank of Italy stressed this evening that it had not had to intervene in the market at all and that the new dollar rate was exclusively the result of supply and demand. However, in the late afternoon, after the official closing, the lira strengthened and the dollar was being traded in Milan at lire 611-615.

This morning's operations were calm and orderly. About \$20m. were traded at the Milan level.

bourse and about \$3m. at Rome one. This morning the banks were buying small sums in dollars from tourists at only lire 600 to the dollar. In the afternoon, after the official fixing, they started buying at the official price which will also be valid for operations tomorrow morning.

Swelling at Lire 617.55 showed a very small devaluation of the lira amounting to about 0.5 per cent. With the D-Mark the lira has continued to be devalued by over 5 per cent.

In unofficial statements the Italian authorities expressed satisfaction and relief at the way things had gone. The revaluation of the lira with regards to the dollar is negligible whereas its devaluation with regards to the D-Mark is at a significant level.

BIDS AND DEALS

Direct Spanish bids for Scottish International

Direct Spanish Telegraph Company, in which Mr. Pat Matthews, First National Finance Corporation recently built up a 46 per cent stake, is to be used as a base for building up a substantial investment trust to be made for an agreed bid to be made for the Ordinary and Preference capital of Scottish International Trust on terms valuing that company at around £5.1m.

They are an Ordinary share of Direct Spanish, or 155p cash, for each STT share and one Ordinary Direct Spanish for every £2 Preference stock.

FNFC already owns 24.1 per cent of the Ordinary and 43.6 per cent of the Preference stock of STT and will accept the Direct Spanish terms in respect of these holdings.

On August 16, FNFC announced that it had a 48 per cent holding in Direct Spanish and had taken over the latter's management responsibility — the shareholding followed a bid by FNFC. The old Board of Direct Spanish was subsequently replaced by Mr. Matthews, along with Mr. L. Naxos, Mr. D. Taggart and Mr. D. Crow.

Yesterday, Mr. Taggart explained that it was hoped to retain the Direct Spanish status as an investment trust and to build it up by taking over other trusts. He expected the investment policy to be aimed at the financial and property fields.

Edger's net asset value

In a letter urging shareholders in Edger Investments to reject the bid from Amalgamated Investment and Property Company, B's chairman Sir Gerald Glover forecasts that profits after tax for the years ended 1970, 1971, and 1972 respectively will be £204,000 and £411,000, compared with £224,172 for the period to March 31 this year.

He reports that independent professional valuations of group properties has thrown up a surplus of £4,883,000, giving the group total net assets of £11,330,000 or 21p a share, compared with the Amalgamated offer worth 19.2p. Additional future rental income from new developments is estimated at £2m.

Sir Gerald maintains that holders are being asked to assess the offer from Amalgamated on the basis of a balance-sheet which is over 16 months old. "The Amalgamated forecast for profits before taxation given for the year ended March 31, 1971, is not analysed in any way, so that it is impossible to judge what proportions relate to trading and possibly non-recurring income," he adds.

comment

At last night's price, Amalgamated's offer value at 18.9p against the shares' current market price of 20.2p. On Edger's forecast, the offer values the group on a prospective exit p/e of 27 (1971-72) and 24 (1972-73) or more to the point at 12.5 per cent discount to the revised net asset value of 21.5p. If nothing else the details included in Edger's rejection fully illustrate the group's attractions considered that if its current development plans go as planned, they would (assuming valuation of 14 times expected rental income) result in a capital surplus of about £7m, or 13.5p a share within three years.

ASSOCIATES DEALS

On August 20, S. G. Warburg purchased for associates of Grand Metropolitan £4,257 Truman Hanbury at an average of 43p.

Pannure Gordon purchased for associates of Grand Metropolitan 7,920 Truman Hanbury at an average of 43p.

S. G. Warburg purchased for associates 10,000 Grand Metropolitan at an average of 150p.

MINING NEWS

More good than bad from Comalco

BY LESLIE PARKER, MINING EDITOR

THE LATEST results from the Rio Tinto-Zinc Corporation's operation in Australia are a mixture of good and bad but it is at least encouraging that there is a considerable element of good in the light of the current setback in the world aluminium situation.

For instance, it is noted that bauxite sales to Australian and overseas refineries in the first half of 1971 showed a steady increase over those for the comparable period of last year. It is admitted that the home market for aluminium in primary and semi-fabricated forms has not in recent months maintained its expected long-term rate of growth. But, it is added, higher sales of metal have been made overseas.

Expansion plans

Even so, there has been a slow down in the rate of profitability because, although the half-year figure of \$7.4m. goes against \$6.4m. at this time in 1970, it compares with \$17.3m. for the whole of that year. The usual qualification is made that the six-month trading results are not a reliable indication of those for the whole year.

Meanwhile, Comalco presses on fearlessly with its big expansion plans. The new ship-lifter, at Wega should be in operation at the end of this month. This will bring bauxite capacity up to 10.5m. tons a year compared with a production of 3.2m. tons in the first half of 1971 and 5.57m. tons for the whole of 1970.

At the Gladstone alumina plant work has begun on the third ex-

Expansion phase aimed at raising the designed production capacity to 2m. tons a year towards the end of 1972. In New Zealand this Bluff smelter started producing metal in April on its way to an eventual planned capacity of 110,000 tons of metal a year. To assist in its financing Comalco has made a bond issue of DM50m. through the Deutsche Bank.

As regards the latest U.S. dollar edicts, the possible effects on the company's sales, Comalco Rio Tinto, the 80.7 per cent owned RTZ subsidiary, has a 45 per cent stake in Comalco. Kaiser Aluminium is the other major partner also with 45 per cent.

SEEKING LEAD IN WALES

It is reported from Vancouver that Canada's Index Mines is putting down a 1,000 feet deep hole on its lead-zinc-silver prospect some 12 miles east of Aberystwyth in Wales.

The company states that it has met with lead mineralisation at a depth of 300 feet. The dumps in the area, resulting from former mining operations there, are also being assessed. They are believed to contain some 2,250 tons of finely ground ore. Index Mines no longer value shares are quoted on the Calgary Stock Exchange.

MINING BRIEFS

Amalgamated Tin Mines of Nigeria (five weeks) concentrate output 15 metric tons 15m.

JAWAR-Group outputs for July 18 metric tons 41m.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

At 18m. 41m. four weeks.

Kelly bid for all UCS draws closer

BY ANDREW HARGRAVE, SCOTCH CORRESPONDENT GLASGOW, August 23.

MR. ARCHIBALD KELLY, owner of Liffey Dockyard, Dublin, may bid for the whole of Upper Clyde Shipbuilders.

After a two-hour meeting with the UCS liquidator, Mr. Robert C. Smith, he indicated to-night that he and his advisers had discussed with him "the possibility of making an offer for the whole of the fixed assets of the company and broadly the manner in which a purchase would be financed."

In his turn, the liquidator had indicated the price he had in mind. The next step was to be a meeting at the Department of Trade and Industry, probably on Friday of this week.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Mr. Kelly has to move fast as the Government is taking steps to both renegotiate UCS's suspended contracts and set up an advisory group to help Mr. John Davies, the Secretary of State.

Meanwhile the "work-in" operated by the shop stewards at the three Upper Clyde yards and the Linthouse steel factory started to follow the dismissal of the 174 people last week.

There are conflicting reports as to its success. It appears that from eight people who left voluntarily and four who are left only 117 reported for work as asked by the shop stewards, which leaves 45 people unaccounted for.

On the other hand, Mr. James Reid, a senior shop steward, claimed tonight there were only 15 to 20 shop people, mostly "maoist" staff.

The formation of a Committee of Inquiry into the run-down of UCS was officially announced by the Scottish TUC to-day.

As already stated, Professor Raymond Illsey, of Aberdeen University, will be chairman, to be assisted by Mr. Frank Cousins, ex-general secretary of the Transport and General Workers' Union, and Mr. George Perry, managing director of General Motors (Scotland) and a prominent member of the Confederation of British Industry in Scotland.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

The committee will take evidence in three public sessions, each lasting three days, starting on September 1 and ending on October 21. Invitations to submit evidence have been forwarded to interested individuals, organisations, and Government departments.

SPORT: CRICKET... GOLF

India's great chance

THE OVAL, August 23.

WE HAVE become unpleasantly accustomed to the failure of England's batting and it is a sobering thought that in the present series in five out of the six England innings five wickets have fallen for less than 150. So perhaps we should not have been surprised at England being dismissed for 101 on a pitch which gave the Indian spinners some encouragement. After all the middle order and the tail can hardly be expected to do a salvage operation every time.

Chandra Sekhar bowled quite beautifully. Venkat provided ideal support at the other end. Solkar was superb in the field and Wadekar boded his side with skill and intelligence.

Nevertheless the English batting was woefully short of ability and was certainly far below international standard. The outcome is that India now need 97 to win with eight wickets in hand and the odds must favour them.

In the last over before the interval Chandra clean howled Edrich for nought with a top spinner that hurtled through, and then Fletcher came in like a lamb to the slaughter and was finely caught low down in the leg trap off his very first ball.

This meant that the exuberant Chandra went into lunch on a possible hat-trick.

D'Oliveira averted this but was dropped at slip off the following ball, a horrible chance. When he had scored five he gave another difficult catch off the same bowler. Fortunately for India these two misses did not prove too costly as D'Oliveira was caught at deep mid-wicket for 71.

Their objective when they batted a second time was to put together a reasonable total with all possible speed and few envisaged the disastrous collapse which occurred.

The early overs against innocent seam suggested that a dejection which was not shared by the close of play. Jameson hammered the ball majestically and Luckhurst was extremely sound. It was not long before Wadekar brought on his slow bowlers but turn had

nothing to do with the first wicket. Luckhurst straight drove a ball which Chandra pushed on to the stumps to run out the non-striker, the desperately unlucky Jameson for 16.

In the last over before the interval Chandra clean howled Edrich for nought with a top spinner that hurtled through, and then Fletcher came in like a lamb to the slaughter and was finely caught low down in the leg trap off his very first ball.

This meant that the exuberant Chandra went into lunch on a possible hat-trick.

D'Oliveira averted this but was dropped at slip off the following ball, a horrible chance. When he had scored five he gave another difficult catch off the same bowler. Fortunately for India these two misses did not prove too costly as D'Oliveira was caught at deep mid-wicket for 71.

17 just as it seemed probable that he was about to launch an effective counter-attack.

Only five runs later Knott departed, superbly caught by Solkar in the leg trap. Illingworth also failed to produce his normal rescue act and was rather tamely caught and howled by Chandra.

But the real blow occurred in complete control, was caught off an attempted cut. To make matters even more irritating the Kent player had turned down an easy single the previous ball to keep Hutton away from the wiles of Chandra. Snow left at the same score and England were in real trouble 72 for 8. A sensible little

Concern over rise in steel imports from Japan

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

IMPORTS OF Japanese steel into the U.K. are running at an annual rate of nearly 250,000 tons, more than six times last year's level, and there are strong fears within the British steel industry that they will increase further as a result of the 10 per cent. import surcharge applied by the U.S.

Much of the increased consumption of Japanese steel can be attributed to heavy imports of pipes used for the transmission of North Sea gas, which the British Steel Corporation has been unable to satisfy the Gas Council and oil companies that it can manufacture to sufficiently high quality standards. But there has also been a significant rise in imports of other steel grades.

Pipes

The latest figures show that imports of Japanese steel into Britain averaged 19,300 tons a month during the first five months of this year, against 3,000 tons a month in the comparable period of 1970.

The extent of the imports of pipes from Japan is clearly shown by the fact that 19,300 tons of the 1970-71 steel imported from Japan in January this year, 18,250 tons took the form of pipes; in February 17,510 tons were imported (16,735 tons in pipes); March 26,512 tons (9,592 tons); April 12,751

(10,458) and May 16,747 tons (no pipes).

Slightly more than half of the steel which came into the U.K. from Japan in the first five months came as pipes, therefore, and this tonnage can be regarded as a special case.

Nevertheless, about 40,000 tons of steel other than pipes was imported, a monthly average over the five months of 8,000 tons. It is this figure which is causing concern, although some of the steel was brought in as an insurance against a likely U.K. steel strike.

One of the major questions concerning U.K. and other European steel producers is whether the Japanese industry will try to switch a substantial part of its exports to other countries or try to sell over the 10 per cent. surcharge wall erected in the U.S. by accepting lower profit margins there.

The statistics make it clear that Japanese steel-makers have established a reasonable base from which to attempt to take an even bigger share of the U.K. market, and efforts to obtain agreement on a voluntary restriction on exports to Britain have had no success so far.

No doubt, further intensified efforts would be made in this direction by the U.K. and the

European Coal and Steel Community producers if it appeared that Japanese exports were being switched from the U.S. to Europe in any quantity.

The U.S. is easily the biggest export market for Japanese steel and, for that matter, for the British Steel Corporation. BSC exports to the U.S. are worth some £50m. a year out of total overseas sales of £230m.

Until the confusion over currency values is resolved, BSC and the independent U.K. producers will remain in doubt about the price they will have to pay for imported iron ore and coking coal and also about their competitive position vis-à-vis other steelmakers.

Suspicion

It seems inevitable that competition between Japanese and European producers will be stepped up in third markets, other than the U.S., as a result of the restrictions announced by President Nixon.

And there is a strong suspicion among U.K. steel manufacturers, particularly those operating in the stainless and other special steel fields, that they will have to fight a vigorous defensive action against Japanese suppliers in their home market, particularly as the overall world market for steel remains depressed.

APPOINTMENTS

Mr. R. A. Atkinson to join Storey Brothers' Board

Mr. R. A. Atkinson has been appointed a non-executive director of STOREY BROTHERS AND CO., from September 1. Mr. Atkinson, who is commercial director of Shell Chemicals (U.K.), is retiring from that company at the end of this month.

As reported in Man and Matters on August 11, Mr. John Murray has joined the Board of CHARTERHOUSE JAPHEH. His appointment becomes effective from September 1.

Dr. H. D. Murdoch has been appointed sales and marketing director of ALKALINE BATTERIES. He succeeds Mr. I. L. Bladale, who has joined Alkaline's associated company, Electric Power Storage, as general manager of its supplies division.

Mr. H. T. Chellingsworth and

Mr. Douglas J. Payne have been appointed to the Board of Audit and Wiborg Industrial Finishes.

Mr. J. R. G. Martin has been appointed secretary of BRISTOL MERCHANT FINANCE.

Mr. L. R. Graham has been appointed general manager of ROBINSON WILLEY (United Gas Industries).

Mr. John Birks, works manager of DARNALL SHOTBLASTING COMPANY for the last three years, has joined the company's Board. Mr. Birks has been appointed secretary and financial accountant.

Mr. Maurice Clayton has been appointed export director of ALOR HEATING ERDINGTON. He has been export manager for the last four years.

Greater freedom for council spending

EXPERIENCE of the working of the new arrangements in England and Wales for local authority capital expenditure control, introduced last April, has led to some changes for the next financial year beginning April 1, 1972. The Department of the Environment stated yesterday.

Following a review of the operation of its rules last year, which gave local authorities substantial freedom to decide their own programmes for capital works, even greater freedom is to be given to councils in buying land for health and personal social services and carrying out slum clearance.

All such spending will be effectively freed and local authorities will be able to borrow to finance whatever cost they incur.

The Government stated that the experience has shown that some types of expenditure which now fall in the local-determined field and are controlled on the basis of an annual block allocation of capital payments do not readily fit into such a system. In general, these types of expenditure are either closely linked with key

sector outlays or have a very uneven incidence throughout the country.

From April 1 they will be transferred to the key sector and be subject to prior approval by the Ministers concerned. They are: derelict land reclamation, administration of justice, wholesale horticultural markets, coast protection, and certain professional fees and salaries. The pool for locally determined schemes will be correspondingly reduced.

Although these changes are necessary at the present time, the Government stated "they represent a diminution of the area of local determination. It reaffirms the view in the Green Paper, The Future Shape of Local Government Finance, that as experience grows it should be possible to extend the new arrangements."

Other changes include a revision of the formula for determining annual block allocations for locally determined schemes and special arrangements in respect of industrial development in the development and intermediate areas and in towns which are being expanded under the Town Development Act of 1952.

AUSTRALIA WANTS BRITISH TEACHERS

The New South Wales, Australia, department of technical education hopes to recruit about 50 teachers in Britain. Successful applicants will receive either a free or assisted passage to Australia and temporary accommodation until they are settled. They must teach in Australia for three years.

HIGHER RATES IN LIVERPOOL

Liverpool's rates will go up by about 20p in the £ next year because of an anticipated deficit of £1m, on the current estimates. Originally they were expected to produce a surplus of £500,000 and the change-over is largely due to inflation.

This news will be in the report from the chief executive of Liverpool City Council members, Mr. Stanley Holmes.

NORTH CHESHIRE TRADING ESTATE PLAN APPROVED

Planning permission in full has been granted to Estates Property Investment Company (Epic) for the first phase of its £4m industrial development near Birkhead—the North Cheshire Trading Estate. The estate is sited immediately adjacent to the M53 Wirral Motorway and has direct access from the site to the Birkhead interchange.

Construction work starts this autumn on the 164,000 square feet 84-acre phase, that is to include industrial units of from 2,500 square feet to 33,000 square feet. Units will begin to be ready for occupation early in the new year.

WINE

Auction prices advancing

BY EDMUND PENNING-ROWSELL

WHEN SOTHEBY'S entered the wine auction field last autumn, many people wondered whether there was enough wine available to support two auctioneers in London. Although Sotheby's are yet operating on a much narrower basis than Christie's, their sales produced what must be considered extra turnover of £148,000, for Christie's total of over £710,000 was 23 per cent. up on the previous year, which itself had produced results 10 per cent. up on the 1969-1970 season. Although Christie's had two fewer sales than in 1969-1970, they had rather more buyers and roughly the same number of sellers. Sotheby's continued to find some interesting as well as run-of-the-mill wines, and in their first season achieved some auction records.

Old wines

With Christie's fifth consecutive post-war wine auction year completed, it is pertinent to ask whether prices of wines have increased as a result of these sales—bearing in mind that previously monthly auctions were regularly held in the City by Restalls, who were absorbed by Christie's. For old wines of note and top-rank claret prices certainly have risen, but as Michael Broadbent of Christie's claims, before they restarted wine sales, in 1968 "there was virtually no market for fine and rare wines. Old cellars were dissipated without thought, and certainly without profit, at local house sales." Yet at the most interesting sale of the past season, that of 20 cases of old wines from the Earl of Strathmore's cellar in Glamis Castle, 41 magnums of Lafite 1870 fetched £3,180. Also the second part of the sale of Sir George Meyrick's cellars in Hampshire and Angles included Lafite 1875 at £220 a dozen, and Kirwan 1865 at £200. Ten years ago such wines might not have fetched much above £5 a bottle, if that.

Such wines, of course, make the headlines, and outside the private cellars of a handful of Bordeaux chateau proprietors and merchants, they are still more likely to be found in Britain than elsewhere, for up to 1914 or even later a majority of the premier crus came here, as they now go to the U.S. Can one expect such finds in 50 years' time in cellars in California and Texas? Only to judge from experience here, if non-drinking, non-selling generations intervene, and there the cellars are air-conditioned.

Certainly, too, the London wine auctions have contributed to the ever-rising price of top-growth clarets, although with capital appreciation being sought in so many fields over the past decade, Christie's in particular may merely have provided the outlet for rather than been the cause of wine speculation and

rising prices. Certainly the more recent vintages such as '55, '59 and above all '61 year, have been making the running, while the "classical" '28s and '45s have not appreciated so fast. True in the two-year period the top price for Latour '29, probably the outstanding wine of the vintage, has gone up from £135 to £210 a dozen, while Lafite '29 has risen from £115 to £140; yet the Lafite '45 moved up from £100 to £150 in the same period, and last season's top price was no higher than the previous season's, though Sotheby's sold one lot at £180. Haut Brion '43 at £105 has not risen over two years, although Latour, abnormally low two years ago, has almost doubled its price to £145.

However, the '61s, taking into account their relative lack of seniority, have done better. Since 1969 Lafite '61 has risen from £80 to £175. Mouton Rothschild from £70 to £135. Neither Latour nor Christie's 1968/69 season, but in the last 12 months their top prices have gone up from £85 and £90 to £140. A price of £10 a bottle plus for claret still under ten years old is substantial, particularly as these are wines that need further keeping.

Among the most esteemed '61s are the St. Emilion and Pomerol leaders, Cheval Blanc and Petrus. In the season recently closed the former made £135 and the latter, which in 1967 brought only £38, touched £140. Indeed these two chateaux are sale-room favourites. In Christie's last fine wine sale of the season, Cheval Blanc '47 reached £185, and earlier Sotheby's sold Petrus '47 for £170. During the year Cheval Blanc '49 made £155 and Petrus '49 brought £130; none of the Medoc leaders made more than £150, and Haut Brion went no higher than £90.

The '50s have followed a similar path to the '61s. Lafite has risen in two years from £78 to £130, discounting a freak Christie price of £170. Latour, Mouton Rothschild, and Haut Brion have more than doubled from around £50 a case to between £105 and £110. Margaux, which started higher two years ago, at £62, also rose to £105 in the past season.

Those unable to afford to drink—or to speculate in—the first growths, will be glad to know that the second and third line chateau-bottled clarets of these two popular vintages have also appreciated. Such wines as Cos d'Estournel '59 and Calon Segur '61 have almost doubled their price in the past year, although at

around \$40 a case they are not dear by first-growth standards. Lafite '61 at £52 has more than doubled its 1969 top price. The dn psom sacq stp, rjndpd particularly sharply in the last year.

Neither at Christie's nor at Sotheby's has any other type of wine or spirits attracted the same attention as the leading clarets. Estate-bottled burgundies, particularly the wines of the Romanée Conti group and of Louis Latour, have made some higher prices. Romanée Conti '32 and La Tache '61 both made new records at £100 a case. Yet last month a few dozen Romanée St. Vivant '66, from Louis Latour's portion of that distinguished vineyard, reached only £38 a case. Burgundy is still a buyers' market at auction, although Latour, abnormally low two years ago, has almost doubled its price to £145.

Vintage port sales have been sound rather than spectacular. With buyers mostly confined, one surmises, to the home market, even great vintages from celebrated shippers scarcely top £90 a case, although Sotheby's did secure £54 for Taylor '35. German wine buyers here seem even less confident than the burgundy drinkers, and for those who know what they are bidding for there have been bargains.

Some bargains

The previous boom in two "rarities" seems to have exhausted itself, presumably on account of their regular appearance in the sale room. The demand for Tokay Essences which two years ago lifted the price of a half-litre of 1811 to £230 seems to have abated sharply, and the same applies to "Napoleon" brandy. However, some curiosities still attract high prices. In the recent season £80 was paid for two bottles of Veuve '31, and £285 for a case of 1928 Krug champagne, both at Christie's.

The prices given above are top prices, and even famous wines vary considerably in the knock-down price. Moreover, these high figures may give the impression that wine auctions are only for the well-lined elite. This is not true, particularly if one is interested in fairly young wines with reputable names but which are perhaps surplus to the stock of growers or merchants. For those prepared to keep such wines, there are excellent bargains, but as in other fields, one wants to know what one is buying. On the other hand, it would be wrong to imagine that buying at auction is a completely satisfactory alternative to dealing with a reputable wine merchant. As lists show, it is often cheaper to buy from a merchant, who made his purchases early and has not since raised his prices disproportionately. This even applies to the first-growth clarets.

French Concorde set for South America sales promotion flight

BY MICHAEL DIXON, AEROSPACE CORRESPONDENT

THE British Aircraft Corporation and Aerospatiale, the Concorde manufacturers, confirmed yesterday that the French-assembled prototype, 001, is to visit South American cities from September 4 to 17.

It will leave Toulouse on September 4 for Cayenne, in Guyana, via Isla do Sol in the Cape Verde Islands and on to Rio de Janeiro on September 6, the eve of Brazil's Independence Day.

On September 8 it will go down to Sao Paulo, where a French national exhibition is to be opened that day, carrying as a passenger M. Giscard d'Estaing, the French Finance Minister, the British and French Ambassadors and other high-ranking guests.

From September 8 to 15 Concorde 001 will make a number of demonstration flights to Rio and Buenos Aires for representatives of airlines, notably Varig of Brazil and Aerolineas Argentinas, Viasa and Avianca. The aircraft will leave South America for Toulouse on September 17.

The reason for the visit is given by BAC and Aerospatiale as promotion of the Concorde among the as yet uncommitted airlines of South America. It is thought that

supersonic services to and from South America will considerably improve the communications and economic prospects of that Continent.

Also, it will provide the manufacturers with significant new information about long over-water supersonic flights, and the operation of the aircraft into new airfields, following its first long-distance flight to Dakar last May. The long-term plan is to make a number of such flights as part of

the overall flight test programme. The British-assembled prototype, 002, which has been on the ground for modifications and overhaul in recent weeks, is now set to resume flight trials.

The aircraft was ready to fly yesterday, but was held up at the last moment by the failure of a recording instrument in the cabin. Since the whole objective of the trials is to record data, the flight was postponed until to-day in order to rectify the recorder.

Teaching 'should be higher-status profession'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

A CALL for a "higher-status" schoolteaching profession is made today by the National Association of Schoolmasters.

Teachers should be an all-graduate occupation, the NAS says in its evidence to the James Committee inquiring into the training of teachers. The association also wants the paper quali-

cations for entry to teacher-training stiffened to include two passes at GCE Advanced level.

Two A-level passes is the nominal minimum qualification for entry to a university. In contrast the minimum for entry to teacher training is five passes at GCE Ordinary level, and training colleges have been known to accept applicants with fewer than five O-level passes.

The NAS says that the higher entry qualification is needed to ensure that the schoolteaching profession continues to recruit from the top 15 per cent. in the "ability range." The entrants should undergo at least four years' training.

As a means of devising appropriate training, the association suggests work study of the schoolteacher's job. "Once the job content has been analysed," the NAS continues, "it should be possible to design a really satisfactory course of teacher training."

Production of paper and board down by 11%

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

PRODUCTION of paper and board in the U.K. fell 11 per cent. in the first five months of this year, compared with the same period of last year.

Output between January and May increased only 58,800 tons a month, 43,800 tons less than in the same five months of 1970. Newsprint production was particularly depressed, averaging 50,700 tons a month compared with 64,400 tons in the same period of last year. This is the worst series since the present series of statistics was started by the Department of Trade and Industry in 1962.

The DTI statistics clearly reflect the depressed state of the British industry, which has led to heavy redundancies over the last year.

Apart from newsprint, there have been substantial reductions in production of printing and writing papers, food wrappings and Kraft wrappings.

On the board side of the industry output between January and the end of May this year totalled 100,500 tons, compared with 103,100 tons in the same period last year. The fall of 7,700 tons in the amount of packaging board produced (73,000 tons in the first five months of this year) largely accounted for the fall.

Manufacturers' stocks of paper and board at the end of May were 2 per cent. lower than a year earlier. Within this total, stocks of paper were 2 per cent. up, while those of board were down by 15 per cent.

BRAHAM PATTERSON & BENHAM LIMITED

The 62nd Annual General Meeting of the Company will be held at Browns Hotel, Dover Street London W.1, on Wednesday 15th September at 12 noon.

The following is a summary of the Chairman's Review—
TRADING: Millars Machinery Co. Ltd., included for 8 months, doubled and diversified Group annual turnover and after reorganisation earned a profit. Despite continuing restricted activity in the industry, turnover excluding Millars increased by 8%. Bristows Machinery achieved a record year with its latest concept in asphalt plants whilst business at Niagara Screens & Plant continued to be highly competitive and profitable. The increased manufacturing capacity provided by Millars enabled the Group to deliver expeditiously a number of plants larger than any previously undertaken.

EXPORTS: Direct Exports amounted to 25% of turnover.

ACCOUNTS: The Group net profit before taxation increased by 14%. Pre-consolidation losses of Millars relieved the Group of most of its tax liability, leaving profits after tax £120,887, (£64,096).

NET TANGIBLE ASSETS: 32p per 10p share.

DIVIDEND: The proposed total dividend is increased from 15% to 17%.

OUTLOOK for the current year is reasonably promising. Further additions to the product range are in prospect. The volume of enquiries remains heavy. All three Works are busy and each has areas under pressure. Millars should increase its contribution, with further taxation benefit from past loss. The Directors will be disappointed if there is not a further improvement in profits for the current year.

Salient points from accounts to 31st March 1971—

	1971	1970
Turnover	2,284,273	1,258,915
Profit before taxation	123,204	107,819
Profit after taxation	120,887	64,096
Proposed total dividend	64,959	55,679
Net tangible assets	1,196,889	522,915

Copies of the full Report and Accounts are obtainable from the Secretary, Braham Patterson & Benham Limited, 10, Gray's Inn, London, E.C.1.

HENDERSON-KENTON (HOLDINGS) LIMITED

Mr. David Hyman, the Chairman confirmed his interim forecasts with further record profits for the year to 31 March 1971.

* Record Turnover up from £4,494,000 to £5,107,000

* Record Profits up from £198,000 to £256,000

* Dividend increased 2½% to 22½%

* Scrip issue of 1 for 2

* Expansion and continued upward trend in profits forecast.

Copies of the Report and Accounts may be obtained from the Secretary, at Blue Star House, Highgate Hill, London N.13.

Retail Furnishers trading as—

KENTONS • HENDERSONS
HAMPSHIRE FURNISHING

Ellis & Goldstein (Holdings) Limited

Manufacturers and Distributors of ladies' outerwear

INTERIM STATEMENT

The unaudited Group results for the six months ended the 30th April 1971 are set out below as are those for the corresponding period of the previous year:—

	1971	1970
External Turnover (taken at wholesale prices)	£5,776,000	£5,094,900
Net Profit before Tax	£474,779	£325,008
Corporation Tax	£158,298	£147,214
Net Profit after Tax	£316,481	£177,794

These figures represent the outcome of Spring trading; the increase in pre-tax profits of 48% is particularly gratifying because it does not result from any exceptional seasonal circumstances but from more permanent factors. This improvement derives both from the continuing re-organisation of Group activities and the benefit to manufacturing efficiency arising from the rapid growth of our retail operation through our own departments within stores.

The Board are now able to revise their previous estimate of the pre-tax profits for the whole of the year to October 1971. In place of the forecast of £380,000 given in the Chairman's Statement in the 1st June, it is now their opinion that a level of not less than £550,000 is likely to be achieved.

New Issue

August 13, 1971

COMMONWEALTH OF AUSTRALIA

8% 1971 - 1986 Loan

of

15,000,000 European Units of Account

The Bonds have been subscribed and offered for sale by:

Banque Lambert S.C.S.

Amsterdam-Rotterdam Bank N.V.

Crédit Commercial de France

Kredietbank S.A. Luxembourgeoise

Algemene Bank Nederland N.V.

Capitalia International Limited

Westdeutsche Landesbank Girozentrale

Development Finance Corporation Limited

Banque de Paris et des Pays-Bas

Deutsche Bank Aktiengesellschaft

Banque de Bruxelles S.A.

Société Générale de Banque S.A.

White, Weld & Co. Limited

Eastman Dillon, Union Securities & Co. Incorporated

Associated Japanese Bank (International) Limited

Banca Commerciale Italiana

Banque Française de Dépôts et de Titres

Banque Nationale de Paris

Banque de Suez et de l'Union des Mines

Burnham and Company

Continental Bank S.A.

Richard Daus & Co.

Dominion Securities Corporation

Fleming, Suez, Brown Brothers

Hill Samuel & Co.

Kuhn, Loeb & Co. International

Peterbroeck, Van Campenhout Securities S.A.

N.M. Rothschild & Sons

Société Générale

Union Bank of Switzerland (Undervriters)

Australian European Finance Corporation Limited

Bank Mees & Hope NV

Banque du Bénin S.A.

Banque Internationale à Luxembourg S.A.

Banque de Paris et des Pays-Bas Belgique

Berliner Handels-Gesellschaft - Frankfurter Bank

How many banks maintain a special service centre to handle multi-currency money market and foreign exchange activities?

1. Bank of America.

Our International Financial Centre (I.F.C.) in the City of London is a one-of-a-kind operation. It serves all Bank of America customers either directly—or through our international network of branches.

At Bank of America's I.F.C. you can receive specialised counsel and guidance on today's financial transactions and tomorrow's monetary trends. And we can assist you with short-term money market investments.

We are part of the world's largest bank, which has offices strategically located in the world's largest free money markets, and we can offer competitive rates at all times.

LONDON BRANCH, 27/29 Walbrook, EC4P 4HN
Tel: 01-626 4722

WEST END BRANCH, 29 Davies Street, W1Y 2BQ
Tel: 01-499 3814

BIRMINGHAM BRANCH, Cavendish House, Waterloo Street, P.O. Box 23, Birmingham 2. Tel: 021-236 0621

MANCHESTER BRANCH, 10 Marsden Street, P.O. Box 309, Manchester 2. Tel: 061-834 8171

DUBLIN BRANCH, Creation House, 26/27 Grafton Street, Dublin 2.
Tel: 775 404

Working with similar Bank of America units in Panama and Singapore, the International Financial Centre provides its special services around the clock and around the world. If you're interested in getting the most for your company's money, contact your nearest Bank of America branch. Tell them you want to know more about how the International Financial Centre can help you.



BANK OF AMERICA

BANK OF AMERICA N.T. & S.A.

International Financial Centre
Bucklersbury House,
11 Walbrook, EC4 London, England

The Executive's World

EDITED BY
DAVID PALMER

Don't let your computer take you for another ride

BY JOHN HUMBLE and KIT GRINDLEY

IT SEEMS that the original decision by any company to invest in a computer can be just the tip of the iceberg. A study of over 200 companies carried out by Urwick Dynamics showed that in over 80 per cent of the cases examined, a proposal for replacing or increasing the size of the original computer followed within three years of the machine being installed.

These increases amounted in many cases to more than double the first investment. Furthermore, it seems that this cost "escalation" continued in about three-year cycles. The table shows a typical computer investment history.

In this actual case, there is a total investment of £1.5m. on computers spread over 12 years. During this time five decisions, at about 24 yearly intervals, were taken to increase the investment—each decision involving £3m. on average.

Investment

At first sight, we might think that proposals for increasing the investment in computers should present the Board with no special problems. It would be able to measure what it had got for its money from its first machine—it would understand the costs and benefits involved and would be able to consider the proposal like any other plan or new plant, further accommodation or increased business activity. This is not so. After 5 years of "computerisation," most companies still feel trapped when they have to consider proposals for investing more on computers.

Let us consider the dilemma facing the Boards of the 400 or so companies who, each year, are faced with spending more money on computers. They are, in fact, in a worse position to make a decision than they were when they authorised the purchase of their first machines.

First, strong technical reasons will now be put forward to invest more by a knowledgeable group within their own company. The rest of the company, who might not benefit from the investment, still do not have sufficient knowledge to challenge these reasons. Secondly, the company will now be firmly committed to computer processing. Certain jobs will have been automated and the cost of going back to manual processing would be very considerable. On the other hand, the Board will be aware of the feelings of disappointment among the users with the results achieved so far.

As to the reasons put forward for computer departments for more equipment, one or more of the following may strike a chord with some companies.

"There's a lot more to this job than anyone thought four years ago. For one thing, the file sizes have turned out to be three times the volume estimated in the original proposal.

And as for saying it would need 12 computer programs—well, we've already written 42 and still the job is only half finished."

Which is to say, the manufacturer, or the original justification study team (now left?) underestimated the size of the job.

"You don't save money by just doing order processing on the machine. The real pay-off is the extra information that computers can give management about our customers, the market, deliveries, stock positions and so on. But we can't provide this information at the moment—if you want to get the big benefits, we've got to have a big machine."

Which is to say, there is a need to do extra jobs on the computer.

It. In one case, consultants found that the originally envisaged order processing job could not be done on the existing computer because it called for "open item" accounts to be held on the computer file. No measurable business benefit could be discovered from adopting this strategy. On the contrary, by adopting a "balance only" automated system and allowing human beings to hold the account details and deal with queries, a reduction in debtors outstanding from 3.7 to 2.9 months was achieved, releasing £350,000 capital (the cost of the computer installation). The extra equipment proposed, costing £500,000, was shown to be completely unnecessary.

But this is only one of the alternatives that can be investigated. Computer users should

in addition to buying more computers, to get this benefit (e.g. a new marketing strategy, more marketing capacity, strengthening the sales forces, etc.).

Stage 3 Assess users' commitment to the benefit. Who is responsible for obtaining this business benefit? For example, who has the objective of reducing the company's debtors. The computer department cannot have this responsibility—and it will not be achieved automatically just by writing and running the necessary computer programs.

Stage 4 Investigate the alternatives. Once satisfied that there is a worthwhile benefit to be achieved, and one to which the company as a whole is committed, then is the proposed addition to the computer equipment the best way of obtaining it? In particular:

Is the proposed equipment suitable? Would some other equipment be better—cheaper; will the proposed equipment cope, or is it underspecified just like the first computer was; will it work as claimed; how long will it really take to do this job? Is the division between automation and manual systems the best one?

Human beings are better at some things than machines (for example, dealing with queries in the accounts example); do we have a case for computing for computing sake; would a mixed computer/human system achieve the benefits better—cheaper—perhaps without any further equipment at all?

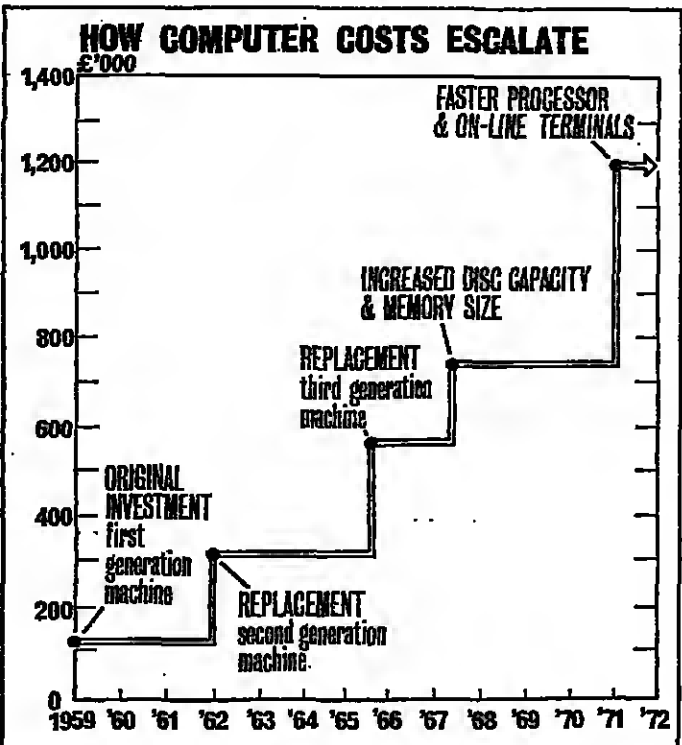
Can the existing installation be made more efficient? Can the programs be rewritten, the files redesigned and the running times of the existing computer be reduced so that this benefit can be achieved without a further investment—or with a much reduced investment?

Can outside computer services be used?

If the needs really are for larger and more sophisticated equipment, then would it be better to buy processing time on such computers owned by an outside service bureau; perhaps directly linked by computer terminal?

Recent surveys have produced widely differing views of the degree of satisfaction felt by companies about their investment in computers. Few companies, however, would yet claim that their investment has produced the tangible benefits expected when they installed their first computer. Any company that now finds itself on the computer merry-go-round again might do worse than ask itself whether it really will benefit from spending a lot more money to be taken for a ride again.

John Humble is a director of Urwick Orr, and Kit Grindley is a director of Urwick Dynamics.



"The manufacturers said it would process an order on average in 1.2 seconds. But we can't get the single item orders through in less than 4 seconds average, let alone the multi-item orders. Well, the master file takes 41 hours to process which just makes nonsense of that 30,000 characters per second claim.... And then, how did they think 16,000 words of core store would be enough? The software in this machine takes up 12,000 words before we start...."

Faced with these arguments, it can be salutary to ask the following questions:

1. Who says so? Is it the computer users in your company, the profit centres, the people who stand to get the benefits from this investment? Or is it the computer department, a cost centre, which is putting forward these proposals on its own?

2. What benefits are being put forward to justify this further investment? Are they measured business improvements which could not otherwise be achieved? What measured business improvements were achieved as a result of the first investment? Above all, the Board should not allow itself to think that there is really no practical alternative to the proposals put to

consider the following four-stage approach.

Stage 1 Identify the benefit. Too often it is the case that no measurable business benefit is identified to support the case for more computer equipment (e.g. improved management information, reduced delivery times, etc.—what are these things worth?).

Stage 2 Relate the benefit to the proposal. Having defined a benefit in money terms, is it realistic to expect that we shall achieve it? The only thing the service departments can do on their own is to reduce their costs. But from experience, we find that clerical savings and cost reductions do not justify computers on their own. The real benefits come from improving the performance of a user department. In such cases what else will have to be done.

Graduates for Tizer

IT IS A SIGN of the times that when Tizer, the soft drinks manufacturer, advertised for management trainees, there were 234 applications for the jobs. Five young graduates have been selected.

Tizer, the soft drinks manufacturer, which has had a difficult time lately, found that there was not enough potential talent within the company to supply new managers for the next two years.

INDUSTRIAL FILMS

Time and relativity in the cinema

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

TWO OF THE GREAT minds of the 20th century—one a filmmaker, the other a mathematician—had an extraordinary amount in common. But it is unlikely that they knew it, and little if anything has ever been written about it. By a weird coincidence, their names were almost indistinguishable as well.

The theories of Einstein, especially of time and relativity, are now almost a part of schoolboy lore. All things are relative, including time, space and matter, and measurement or assessment is meaningless unless the terms of reference are specified or known.

Eisenstein, grappling with a totally new medium in the early 1900s—was perhaps unwittingly—coming to similar conclusions about the cinema. He held the view that a piece of film had no real meaning until it was related to another and separate piece of film. This led him to the statement that "the juxtaposition of two shots by splicing them together resembles not so much the single sum of one shot plus another—as it does a creation."

Emotional reaction

Eisenstein on the other hand said of the universe "every reference body (or co-ordinate system) has its own particular time: unless we are told the reference body to which this statement of time refers, there is no meaning in a statement of the time of an event."

Television and the contemporary documentary may seem a far cry from such mind-bending ideas. But, of course, such ideas are being applied all of the time, intuitively and unscientifically.

An unusual example of this, about to be screened at the Edinburgh Film Festival is called *Erection* and comes from ex-Battle John Lennon. In *Erection*, it is an industrial film—but in intention and impact it is an emotional reaction to time and society. It shows the construction of the London Inter-

national Hotel, opposite the Cromwell Road air terminal. Employing still photographs taken from a fixed camera position over a period of 18 months, it simply utilises the well-known technique of time lapse photography to show the building rise—almost, as it were, from the ashes of a bare site.

Other recent events emphasise for me the neglected importance of time and relativity in films.

It is finally end? Eisenstein might

pressively if unimaginatively, how one industry is preparing for the ravages of time; doing its best to make the processes of change constructive. A power station, by-product, pulverised fuel ash, is used in building (who knows, maybe even in the Crum-Cleanliness. No doubt standards of hygiene in Britain are as high as anywhere in the world; but the film demonstrates how the unscrupulous negligence can be danctious. Again, only by the control and manipulation of time is the film able to achieve its objectives so well.

Many pictures are an encapsulation of time and relativity. We have yet to explore the real significance and potential of this facility—indeed, even fully recognise it. But the individual is coming closer to having this power at his own fingertips—through the introduction of video-cassettes.

Last week, Philips showed in London its TV cassette recorder that will be available here next Spring for £280. It includes an on/off clock timer to enable users to record their favourite TV programmes during their absence.



A scene from *Key to Cleanliness*—a modest yet persuasive.

Footwear study

A FORECAST of the impact of Communism on the U.K. footwear manufacturing industry is included in *Footwear 1980*, a report just published for the British Footwear Manufacturers' Federation. The report has been prepared by AIC Management Consultants, with the co-operation of the Shoe and Allied Trades Research Association.

It assesses the market prospects for the footwear industry over the next ten years, with detailed forecasts of U.K. consumption, imports, and exports in 1980. The 1980 for the principal categories of footwear. The report will be available graphically reveals their plight, only from the Shoe and Allied and uses the medium well to Trades Research Association, parallel—relate—the circum-Kettering, Northants,

Business Books

Understanding Modern Business Mathematics, by A. M. C. Morrison, R. Burden and M. G. Crabtree. The Accountants Publishing Company for the Institute of Chartered Accountants of Scotland. £3.00.

If you were one of those schoolchildren who carried on a running battle with your maths teacher, and never discovered the poetry of algebraic formulae, then this may be the book for you. It is aimed exclusively at the non-mathematician. It also claims, however, to contain the minimum mathematical knowledge for accountants and managers who want to stay in the game—and has a chapter which is ideal reading for parents of children doing the "new" mathematics. But a word of warning. It does not dodge the difficulties of the subject. As the authors themselves say: "not every point... will be instantly-

neously obvious; ideas that are intrinsically subtle are intrinsically not obvious."

The Woollen Industry of South-West England, by Kenneth G. Posting, Adams and Dart. £5.25.

The wool-textile industry flowered in Bristol in the 12th century and since then has had a rich history. This book justifies its price with its lavish illustrations and with a section of documentary material of use to any student of industrial development.

Organisational Analysis—A Sociological View, by Charles Perrow. Tavistock Publications. 50p.

A reissue of a book from the Behavioural Science in Industry series. Prof. Perrow has chosen a specifically sociological perspective to look at organisations.



BKT
for the best in print

All types of colour printing, from simple 2-colour to quality 4-colour process work and accurate colour-matching using many more colours. With London-based technical advisory unit.

BROWN KNIGHT & TRUSCOTT LTD.
Printers & Publishers
11-12 Bury Street, St. Mary Axe, London, EC3A 5AP. Tel: 01-626 5477.

The new Lancia 2000 Sedan

There's only one modest thing about the new Lancia 2000.

The price. Just £2153.13. For a smooth, sleek, silent, spacious car with so many features that it feels just the way it looks. Luxurious. Superior. Unbeatable.

For a perfect start, there's the instant acceleration. Then there's the power steering. The heated rear window. The fully-reclining front seats with headrests. The

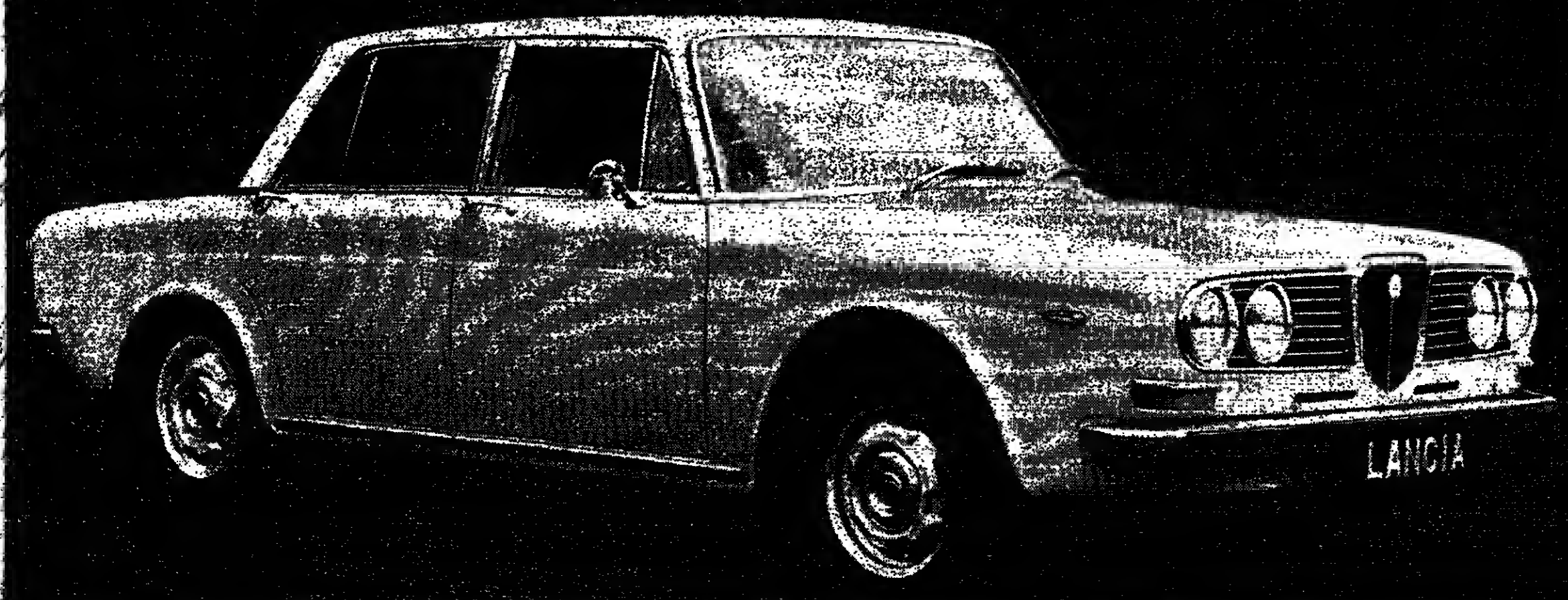
servo-assisted dual circuit disc brakes. The sound-proof interior. The fitted, hard-wearing carpet. The twin quartz iodine headlights. The courtesy light operated by all four doors. The safety body built on Lancia's progressive collapse principles.

They're not extras. They're standard. All of them. Which, at £2153.13 makes this brand new Lancia even more superb value than the other great Lancias.

But then who else but Lancia could outshine a Lancia?

Ask Lancia for more details and the name of your nearest dealer. Write to Lancia (England) Limited, Ealing Road, Alperton, Middlesex. Telephone 01-998 5333

LANCIA
One of the great Europeans



Also New!
The New Lancia Fulvia Coupe 1.6 HF Lusso—the road version of the famous rally winning Lancia. An outstanding performer at only £2521.83.



THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS
Established 1881

Head Office Editorial & Advertising Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4A 3DF.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London.
Telex: 886341/2, 883897.

FOR SHARE INDEX AND BUSINESS NEWS SUMMARY RING: 01-248 8026
London: George House, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

TUESDAY AUGUST 24 1971

Towards a new order

FOREIGN EXCHANGE markets Here there may well be a reopened in most centres yesterday and, in general, conditions appear to have been much more orderly than might have been anticipated. The D-Mark and the Dutch guilder, which have been floating since May, came back a little against the dollar. The pound and other currencies which have now been set free tended to appreciate against the dollar by around 1 to 2 per cent. But these of course are early days and until some of the recent vast speculative money flows are reversed it will not be clear where the rates settle down. In the case of the French franc there is the additional complicating factor that abroad at any rate there was considerable confusion on just how the dual market system would operate.

GATT meeting

Meanwhile to-day there will be a meeting of the GATT in Geneva at which the Americans will be duty told that they have broken the rules. Presumably the main pressure point will be a demand that the Americans should fix a time limit for the removal of the surcharge. All the indications from Washington, however, are that the U.S. administration has no intention of doing so until, at the very least, some settlement becomes discernible on the currency front.

In this context the key country remains Japan. Two factors appear to have determined Japanese action, or rather inaction, at any rate until yesterday. The first appears to be a deep-rooted psychological aversion, a feeling shared by Government and business, against a floating yen. Somehow this concept appears to offend against the Japanese sense of orderliness. The second, and politically more important, has been Japan's desire to make certain that it gets something in return for a move on the yen parity. Japan not merely wants the surcharge to come off—which it regards as specifically directed against itself—but according to a succession of reports also wishes to see a small devaluation of the U.S. dollar against gold.

Berlin agreement in the offing

FOR the whole of the post-war period Berlin has been one of the main sources of East-West tension and crises. On several occasions, notably at the time of the allied airlift in 1948-49 and again in 1961, during the crisis which preceded the building of the Berlin Wall, the dispute over the city brought the world to the brink of another world war. The draft settlement of the Berlin problem reached by the ambassadors of the Western Allies yesterday is therefore of the greatest significance, both for East-West relations as a whole and for the future relationship between the two German States.

Positive attitude

Above all, the agreement shows that the Soviet Union is still as anxious as ever to achieve a détente with the West in spite of the suspicions aroused in Moscow by President Nixon's flirtation with China. The Russians can therefore be expected to continue to adopt a positive attitude in other negotiations with the West, notably the Strategic Arms Limitation Talks. Their view is clearly that the best way to prevent the Americans and the Chinese from coming to any understanding which might be to the detriment of Soviet interests is to improve their own relations with the West. The Soviet Union's fear of having to face hostile blocs on both its Western and Eastern fronts still appears to be one of the main factors influencing its foreign policy.

In order to reach an agreement, there can be no doubt that the Russians have had to make considerable concessions. They have, in the first place, apparently acceded to long-standing Western demands for unimpeded access to Berlin of civilian traffic and, even more important, accepted that this access should be regulated by four-power machinery and no longer by East Germany. They have also, it seems, dropped their claim that West Berlin is a separate political entity and

good deal of "face" involved, something which has undoubtedly influenced France's stand and probably the latest pronouncements by M. Schwellger, the managing director of the IMF, as well. The Fund obviously wants to see the earliest possible return to a monetary system which operates under fixed rules and which allows it to exercise the power and the influence which it has enjoyed in the past 20 years or so. This is natural enough in an organisation which believes quite rightly that its activities have made a valuable contribution to the expansion of trade in the post-war era.

The hard facts of the present situation are, however, that the Americans are at this stage much less interested in discussions on a fundamental reform of the system than in securing the immediate objectives of what has been by any standards a straight power play. They want to see above all a realignment of currencies which will take the pressure off the dollar and give the Administration time to concentrate on the main problem which President Nixon's package was meant to deal with—getting both American unemployment and the inflation rate down to more acceptable levels.

American power

If the rest of the world, and particularly those countries which have hitherto refused to float, go on arguing that a realignment of exchange rates must be combined with more far-reaching reforms, then far from heading towards a new monetary order we shall be moving towards a trade war. The dollar may be weak, but that has not altered the basic power relationship between the U.S. and the rest of the world. American power rests not merely on sheer size but also on the fact that foreign trade plays a much smaller part in the U.S. economy than in those of any other industrialised country. This is something which those seeking to impose tidy and comprehensive solutions at this stage should remember.

The ferment the President has stirred up inside America

John Graham, reporting from Washington, Monday, describes the domestic political turmoil spawned by last week's 'new economic policy', and explains why the union leaders are angry

ONE of the most agreeable things about exercising absolute power—or at least more absolute power than anyone else—must be to stir up a great deal of trouble and then slip off, leaving your subordinates to deal with the mess. This is precisely what President Nixon has done. Washington is at the moment steaming with the wet heat of August and with political turmoil of an unusual degree, but Mr. Nixon is on holiday by the shores of southern California. The large departments of Government and the President's most senior advisers are extraordinarily busy, trying to cope with the multitudinous problems spawned by last week's "new economic policy."

A running battle

First in the news is the little-known Governor of Texas, Mr. Preston Smith, who says that the Federal wage and price freeze is unconstitutional and that he will defy it. The Texas legislature authorised a pay rise for State employees, and the Governor says he will let it stand. He doubts that the President has legal power to "void a Texas law," and the U.S. Government has retaliated by suing for an injunction in a District of Columbia court. The Governor says he will take the question all the way to the Supreme Court in what is only the latest skirmish in the running battle over American federalism.

Part of the Governor's pique may be explained by the fact that the U.S. Government did not tell him about the freeze in advance, and that Mr. John Connally—who is now running pretty well everything in Washington—used to be Governor of Texas himself. Mr. Smith said over the weekend that he has always been impressed with Mr. Connally's personality. "But I was never impressed with his ability, to tell you the truth."

Another man who is extremely piqued indeed is Mr. George Meany, president of the AFL-CIO. An alliance of sorts had been formed between organised labour and the Republican Administration, but Mr. Nixon has put a thorough end to it now, and that means trouble. Mr. Meany is nearly 80 years old, but his remarks in the last few days show that he can throw off his "establishment" clothing and talk like any old-fashioned anti-Government labour boss.

He has refused to co-operate with the Administration's plea to call off existing strikes. He has threatened to retaliate against the wages freeze, suggesting that if negotiated wage



Top right: U.S. Treasury Secretary John Connally: "Now running pretty well everything in Washington." Bottom left: Leonard Woodcock, president of the United Autoworkers, and (bottom right) George Meany, president of the AFL-CIO.

increases are invalidated then the terms of such contracts are also invalidated, and unions have the right to strike. He has called all the general councils of member unions to a meeting in Washington on Thursday to see what legal tactics they can use against the freeze.

This is not just posturing. Mr. Meany and other Labour leaders were advocating such action on wages and prices as far back as a year ago, but they complain that the simple wage-price freeze is not what they had in mind and is unfair to the working man. There should be a freeze as well on profits and dividends, they say. Mr. Meany has made some wild statements in his time, but he has an ally in Mr. Woodcock of the United Autoworkers, who is not known for wildness. He too doubts that the President has the right to take action which effectively breaks existing contracts.

There are two ideas behind Mr. Meany's total rejection of the President's new policies. The first is that he believes he can get a Democratic President next year, and is therefore gunning for the Republicans at every corner. The second is that the American working man is

deeply angry at what has happened to him in the last five years. When Mr. Meany first broke out against the wage freeze early last week, the Administration, through Mr. Connally and Mr. Hodgson (Secretary of Labour) were instructed to fire back in the belief that Mr. Meany had alienated himself from the rank and file. This is by no means certain now. Every day brings reports of another union's unhappiness with the wage freeze, and of calls for specific strikes or even a general strike. The ordinary man in America knows perfectly well that it has been he who has had to pay for inflation, and he who has had to suffer from the recession; he does not see why he should also have to pay for the recovery.

The technical problems

Now, a general strike can be confidently ruled out, but this does not mean that the White House has not been landed with a big problem. To make the wage-price freeze work at all during its 90 days there has to be co-operation between the

Government and the workers, and this will be even more difficult when the 90 days are up. The present state of relations between the two is abysmal—witness Mr. Meany's snort the other day: "I don't pay much attention to the Secretary of Labour. After all, when you have a problem with the land-lord, you don't discuss it with the janitor."

So much for the political problems for the time being; there are also tricky technical problems in implementing a wage and price freeze. The Office of Emergency Preparedness, which has been put in charge of implementation, is hopelessly beset with inquiries from businesses, large and small, and long lists of decisions are being published almost daily. The Government is at odds with itself, as for instance when the Pentagon announced for reasons known only inside the Pentagon, that of course the price freeze did not apply to military personnel. Mr. Connally immediately said "Non-sense."

But what is the Government supposed to do about prices for new products? Suppose, for example, a restaurant stops

offering Eggs Benedict on its menu, and offers instead Eggs Florentine? If it claims that spinach is more expensive than Hollandaise sauce, and so charges a higher price for the Eggs Florentine, how does one arbitrate? This is a small matter, maybe, but a large economy is made up of millions of such small matters.

Take a bigger example. The wording of the Presidential Order says that prices cannot be raised higher than "the highest prices pertaining to a substantial volume of actual transactions" during the 30-day period ending August 14. Now the steel companies claim that August was such a bad month for sales that any volume at all was a substantial volume, and that they are therefore entitled to hold an 8 per cent. price increase that went into effect on August 5.

Assuming that these and other disputes can be settled by the tiny bureaucracy the Government possesses to deal with them, a far larger question mark hangs over November 12, the last of the 90 days, the Government does not yet know what it will do then, though several officials have been saying that the freeze will in fact have to be continued in one form or another. Professor Samuelson said over the weekend that it is "hardly thinkable" that the freeze will be lifted completely, and that the Administration will have to have a wage and price review Board of some kind. The history of freezes in the industrialised world does not encourage faith in voluntary compliance, and this must be even truer in America, whose people consider themselves more free than anyone else, and who have a strong resentment of Federal interference.

Exempted from the freeze, of course, are financial institutions, since the White House believed it did not have the authority to freeze interest rates and the like. This is itself being challenged by Democratic politicians, as one of the few straws they can cling to now that the President has upstaged them on their strongest ground. Another delicate problem concerns non-American organisations such as the United Nations, or the IMF and the World Bank. The management of the World Bank is considering balking back at salary increases, not because the U.S. Government has any jurisdiction, but because the Bank has to go to Congress for its IDA money, and the Congress is mean and difficult at the best of times.

If all this appears parochial to a European, then I simply have to stress again that it is the domestic part of Mr. Nixon's announcement which is making by a counter-revolution. With headlines and conversation here, the best will in the world, there is not the international part. The Administration knows it has to deal with the nuts and bolts of present "anti-foreigner" stance.

A simple faith

But to suggest that the Administration is worried about the international disorder already created, as it was worried during the devaluation of sterling period or the gold rush of the spring of 1968, would be to misread the collective temperament of the President, Mr. Connally, and Mr. Volcker. Starting from the simple faith that the American economy is the biggest and strongest in the world, they see no reason to adopt a defensive or "weak" posture. They have done their bit, and they have said that it is now up to everyone else to do theirs. The general floating of currencies in Europe is a beginning, but the U.S. has heard nothing yet on their other demands—trade, tariffs, military cost sharing, and so on. To get what they want in the way of a balance of payments rather than a chronic deficit, they are quite ready for a little disorder. They may avoid using the word "protectionism," but Mr. Nixon himself has said that he did what he did in order to "protect" the dollar, and his revolutionary change of direction is not about to be followed by a counter-revolution. With headlines and conversation here, the best will in the world, there is not the international part. The Administration knows it has to deal with the nuts and bolts of present "anti-foreigner" stance.

MEN AND MATTERS

Preserving Pteronura brasiliensis

"For so many years there have been so many misunderstandings between the fur trade and the conservationists," commented a prominent fur dealer yesterday. That is the significance of the agreement announced yesterday between the International Fur Trade Federation, the International Union for the Conservation of Nature and Natural Resources, and the World Wildlife Fund. Under it, member companies of 23 national fur trade associations with simple stop handling skins of 5 wild animals now in serious danger of extinction: the tiger, snow leopard, clouded leopard, La Plata otter, and giant miter (Pteronura brasiliensis). There is a temporary ban on skins of two more animals, the leopard and the cheetah, while studies are done (at the expense of the fur trade), and there will be studies on other animals too.

This breakthrough in co-operation between commercial and conservationist interests, which could so easily be at loggerheads, came about through a joint conservation committee chaired by Mr. Leslie MacMillan, chairman of MacMillan and Moore, London fur dealers. MacMillan points out that there have been several campaigns before in individual countries to preserve specific animals—for example, the beaver and musquash in Canada, the sable in the USSR, and the fur seal in Alaska.

But evasion is always a problem. So now the effort is on an international scale, and at the demand rather than the supply end. A plaque is being

produced to go in shops selling furs, showing that the shop supports the conservationist measures. MacMillan explains that "another problem is that the scheme has to be voluntary. We hope that women will only go to shops displaying the plaque. But what we really want is legislation to make it solid. We are hopeful—the Government has been helpful so far."

Forward's fly-half

Forward Trust, the instalment credit subsidiary of the Midland Bank, has a special asset at work for it in South Wales—Mr. Barry John. Not surprisingly, it is doing its best to keep the great rugby player happy in his work. His return with the British

Lions team from New Zealand has brought more than praise ("A hell of a man is Barry John, with style and a hand to catch soap," wrote a local poet); he was also, yesterday, promoted. From being a representative in the Cardiff office, dealing mostly with commercial vehicle credit, John is now a sales executive attached to the area manager for South Wales, where Forward Trust has seven offices. "You just have to use your intelligence," he says, "working out who wants to talk rugby and who wants to talk business."

The Forward Trust he says, has been "more than generous" with paid leave for rugby tours. But then Forward Trust says he is a pretty good businessman, and he is playing no rugby at all for the next three months, to recover from the tour. So the Midland (which has another British Lions hero, Willie John McBride, working in its Northern Bank in Belfast) can look forward to unusual business interest in South Wales for a while.

Defining draught

The Society for the Preservation of Beer from the Wood, a body of around 2,000 people fighting a cheerfully losing battle against the inroads of keg and top-pressure beer (the wood bottle being already all but lost) has come up with a manoeuvre which might just cause the brewers real bother. It has made a formal application for a Definition Order for draught beer to be made under the Trade Descriptions Act. This is now being considered by the Ministry of Agriculture and Fisheries and Food and the DTI. In reply to earlier representations, the Ministry told the Society that "any-

one who believes the term 'draught' has been applied in a false or misleading way may institute proceedings himself or complain to the Food and Drugs or Weights and Measures Authority in the area in which the alleged offence has taken place." This sounds fine, says the Society, except that there is no legal definition of "draught beer."

"What we want," says Mr. Simon Evans, one of the Society's numerous and voluble spokesmen, is "something like what oppositional control is for wines." Draught, he insists, means pulled, and "a lot of substances which are called draught beer aren't pulled at all. They are acquired by compressed carbon dioxide." So the definition proposed by the Society includes a minimum brewing period; minimum gravity and alcoholic content; and an insistence on the beer being drawn from the barrel by gravity or hand-operated pump, and not served under gas pressure.

The Society was founded in 1953, as a result of a letter to the Financial Times, by some Bank of England men. It is still strong in the City, though of late its meeting places have been subject to rapid change as one favoured pub after another abandons the hand pumps.

Jobbing backwards

According to the Investors Chronicle: "On the most modest assumptions, 1971 for Leeds Assets will be a year of consolidation, with the growth phase then in 1972 and 1973, but by that time the bargain basement price may well be history." It may indeed.

Observer

At the Victoria & Albert Museum, South Kensington

OPEN UNTIL OCTOBER 10

COVENT GARDEN

25 years of Opera and Ballet

A fascinating exhibition which reviews the theatre's post-war achievements with a glimpse into its future, using music, film, models, scenery, costumes, stage properties, documents and photographs.

Films include Cella and Gobbi in Tosca Act II; Fonteyn and Nureyev in Marguerite and Armand; specially made film of Fonteyn as Ondine, Bergama as the Lilac Fairy and five pairs of dancers in the Balcony scene from Romeo and Juliet.

There are models from Roméo and Juliet and Anastasia, The Knot Garden, Aida and Tristan und Isolde; paintings by David Hockney, Brian Organ and others; and proposed plans for the redevelopment of the Royal Opera House when the Market moves.

Weekdays 10-6 (Tuesdays 10-9) Sundays 2-6-6
Admission: 30p. Students and OAPs 20p.

مكتبة الأصيل

Labour News

TGWU move will ease union registration

BY JOHN ELLIOTT, LABOUR EDITOR

THE WAY has been opened by the Transport and General Workers' Union for the TUC to decide at its annual Congress in two weeks whether to relax its policy of unions refusing to be registered under the Industrial Relations Act. As a result it has become increasingly likely that unions will decide to register fairly quickly.

The TUCU has tabled an amendment to a strong anti-registration resolution which will probably be adopted by the Congress and which effectively opens the way for the unions to escape from the embarrassing position in which they have found themselves over the registration issue.

Qualification

The original resolution, from the Amalgamated Union of Building Trades Workers, which has recently merged with the Painters and Decorators, calls for Congress "to instruct" affiliated unions not to register and to remove themselves from the provisional register which is to be set up in October when the registration section of the Act is implemented.

This would considerably strengthen the existing TUC position, adopted at its special conference in February, which only "advised" unions not to be registered as the first plank of the unions' policy of non-cooperation with the legislation.

However, the TGUW amendment, which is contained in the final Congress agenda published this morning, qualifies the instruction by adding the words "recognising that the policy of non-registration can only be effective if all affiliated unions act collectively."

This is in line with TGUW policy split out last month at the union's annual conference by its general secretary, Mr. Jack Jones, who stressed that it was only worth while for unions to endure the financial and other disadvantages of non-registration if all those affiliated to the TUC stood together.

But this will not happen, as is realised by the TUC general purposes committee, which yesterday interviewed leaders of two unions—the National Union of Bank Employees and the Confederation of Health Service Employees—of which will be registered. The

committee will probably be seeing other unions later but is not to come to any decision on individual cases till after the Congress debate.

The clear implication of the TGUW amendment is that, since it is known that some unions will register and that a solid TUC stand is therefore out of the question, other unions can feel free to bypass the non-registration call.

However, while this line seems likely to gain general acceptance, Congress will also be faced with a unequivocal demand from the Paperworkers (Sogat Division A) that any union registering should be expelled from the TUC. But now that the TGUW has committed itself to the softer line, it seems unlikely that this extreme demand will gain much support.

Other debates at the Congress, which opens on Monday week in Blackpool, will centre around opposition to Britain's entry into the Common Market with demands for a general election before any decision is made, and heated speeches over issues such as the Government's wages strategy and policies on the nationalised industries, and the high level of unemployment.

8,000 Burton Group staff win rises

PAY RISES of up to £2.75 a week, with responsibility bonuses for some, have been negotiated for 8,000 shop staff employed by the Burton Tailoring Group and the Jackson Tailor company. The Union of Shop, Distributive and Allied Workers yesterday announced that managers, salesmen and cashiers aged over 21 would get an extra £2.75 in London and an extra £2.25 in the provinces. Junior rates would be increased proportionately. Cashiers would be entitled to responsibility payments of between £1 and £1.50 on top of the new minimum.

Managers with seven years' service and other workers with 10 years' service will get a fourth week's holiday under the new deal, which takes effect from August 30.

Bonus agreement averts new Swan Hunter dispute

BY MICHAEL HAND, LABOUR CORRESPONDENT

A FURTHER damaging labour dispute at Swan Hunter's shipbuilding yards on the Tyne, which were closed recently by a two weeks' strike by general workers, was averted yesterday when the group's 3,850 hollerers agreed to accept improvements in their bonus pay. They did so on the recommendation of Mr. Dan McGarvey, resident of the Boiler-makers' Amalgamation, who addressed a meeting of the men. In a ballot, 474 votes were cast for acceptance and 560 against. They had claimed that their pay differential over fitters had been eroded by a recent wage deal.

The boiler-makers' basic rate of £7.15 is not affected by the changes which it is hoped will not lead to a repetition of the "tepproting" pay claims among the various grades that have plagued Swan Hunter this year.

A company spokesman said last night: "We are glad that common sense has prevailed and we hope we can now get down to the job of building ships without industrial difficulties." Sir John Hunter, group chairman, gave a warning recently that shipbuilding on the Tyne would be a long and tough free-run.

At Barrow, 1,000 boiler-makers yesterday ended an overtime ban and withdrew a threat of token strikes after their employers promised to reinstate 12 welders who had been dismissed. Normal working resumed as Vickers offered a phased programme of retraining for the men, who were dismissed at the end of June.

At Sunderland about 350 hollerers at the Pallion shipyard of Dorman and Sunderland lopped work at lunchtime.

Port Talbot peace hopes rest on meeting to-day

HOPES of avoiding a shut-down of the Port Talbot steel works in South Wales rest on the outcome of a mass meeting to-day of 1,000 white-collar workers who have been on unofficial strike for two pay since last week. It is understood that the Iron and Steel Trades Confederation will instruct them to resume work. They decided against union advice last Thursday to continue strike which, the British Steel Corporation has warned, will result in the plant being closed down on Thursday unless there is return-to-work decision today.

About 14,000 workers are employed at the plant—including the 2,000—and although no announcement has yet been made about lay-offs these are said to follow quickly if production is not restored. It has already been reduced by 10 per cent since the strike began a week ago yesterday. Port Talbot is a major supplier to the car industry and to the BSC's implate division and produces

Pay battle for lab men is stepped up

THE ASSOCIATION of Scientific and Managerial Staffs announced yesterday that it is to step up its fight to get a new deal for laboratory technicians in the National Health Service. A 48-hour strike is planned, all Saturday afternoon. Sunday and Monday holiday working will stop and work on post mortem specimens and medico-legal work will be banned. Sanctions already operating will be tightened.

The union wants a minimum of £1,040 a year for a technician with Ordinary National Certificate and £1,560 as a starting rate for fully qualified state registered technicians with Higher National Certificate.

The union also claims that the Health Service's machinery is ineffective and that the union is grossly under-represented.

154 more redundant at Perkins

PERKINS, the diesel engine producers, yesterday declared redundant 154 members of their staff at Peterborough. The announcement comes only a week after 205 hourly-paid production workers were made redundant.

The cuts in the 8,000-strong labour force are being made to reduce costs. Mr. Monty Priebe, chairman, has told workers that he intends to reduce the work force to the 1968 level of 7,000.

BEA: cutting back to get ahead

With the airline's annual report due soon, Michael Donne, Aerospace Correspondent, discusses the profits problem

THE REPORT that British European Airways has set itself a target of improving productivity by 10 per cent a year over the next three to four years to remain competitive is another reflection of the extreme difficulties that have beset the world air transport industry in the past two years.

It shows that the problems of the long-haul sector, spelled out last week by Mr. Keith Granville, chairman of BOAC, have been felt just as keenly in the short-to-medium haul sector. The problems are a marked slackening of the rate of traffic growth, an almost runaway rise in costs, heavy competition from holiday charters, and heavy pressures for reductions in fares and an increase in the use of cheap promotional fares that have diluted the revenue yield per aircraft in some cases almost to vanishing point. At the same time, BEA has had labour troubles.

£1m. profit

BEA, like BOAC, has done reasonably well to manage to turn in a profit in the financial year ended last March 31 of around £500,000—the precise figure will be announced soon in its report and accounts.

But streamlining of the airline's operations over the past few months—in particular the substantial decentralisation policy recently announced by chairman Mr. Henry Marking—has obviously not gone far enough. Mr. Marking is now calling for renewed efforts to try to keep the airline in the black in 1971-72 and beyond.

Both chairmen are working in the dark to some extent, for they do not know what is going

to happen following the reorganisation of British civil air transport under the new Civil Aviation Act. The Government is now setting up the new British Airways Board which is intended to "overlord" BOAC and BEA, although it will not have the power to merge them without prior consultation with the Minister and the approval of Parliament.

Nevertheless, it will be an immensely powerful body, and it is clear that no individual State airline chairman from now on is going to have the same measure of independence as in the past.

Shake-up

Many people fear that whoever moves into the Airways Board may come from outside the industry, may not appreciate its problems, and may try to rush it into further structural changes in the belief that this will provide the solution. In fact it would not, for many of the problems are outside the airline's control—such as the economic recession in the U.S., which has hit all air traffic in the past year or two.

Many hope that President Nixon's economic measures will help stimulate the U.S. economy—the spillover would help improve the position of all major airlines.

What the two U.K. State airlines want is a period of at least a year or two in which to solve their domestic troubles and return to a reasonable measure of profitability, before being faced with the wholesale upheaval that would stem from merger plans.

BEA's five-point plan for

higher productivity includes cost reductions, expansion of traffic and other activity, streamlining work methods, a virtual freeze on staff numbers with no recruitment except where absolutely necessary (but also no redundancies if this can be avoided), and deferment of any re-equipment decisions for some

months—at least until the airline can see how its costs in 1971-72 are going.

This means that there will be no decisions on the complicated choice between TriStar and the A-300B air-bus for at least another six months. This may not worry the A-300B team quite so much as it will worry Lockheed. The European air-bus team is keying its aircraft to orders from Continental Airlines before BEA, and thus the latter's choice, although

obviously highly desirable, is not ritual.

So far as the TriStar is concerned, however, Lockheed would dearly like to have a BEA order as soon as possible, for this would signify solid U.K. support for the aircraft and its Rolls-Royce RB-211 engine, and thus help convince U.S. customers that the aeroplane has a viable future. But BEA is keeping firmly out of this morass with the full support of the Government, which does not want to put pressure on BEA.

The main reason for BEA's present reluctance to get involved in new equipment decisions is that the cost levels—wages, salaries, fuel bills, landing fees and so on—and traffic uncertainties, mean that it just cannot operate any wide-bodied aircraft profitably.

In order to try to improve the cost situation, the airline is setting up "efficiency teams" to go through it in much the same way as BOAC has done with its "profits improvement programme." The aim is to provide the first wave of improvements resulting in cost reductions in time to be incorporated in the planned budget for 1972-73, starting next April 1. Some changes will have effect immediately, others will be more long-term, but an "acceptable" budget next year must be the first aim of the airline.

Tough task

There is no doubt that in the present climate a 10 per cent improvement in productivity a year for the next few years is an extraordinarily tough task. But even if this internal drive for improvement is met and

"Early-bird" scheme, passengers can reasonably ask why they should be charged around £78-£83 for a night tourist return flight to Athens, which is not much more than one-third of the distance.

At Miami, the problem of air fares in Europe is likely to prove just as intractable as has that of fares on long-haul routes so far. Nobody is hopeful of either an easy conference or quick decisions.

It is probably for this reason as much as any other that BEA is seeking to streamline its business and improve its image with the public. It has had an immense drive to improve punctuality (this summer) in order to capture as much as it can of the available business.

Pressures

Similarly, it must now also face the fact that in the short-to-medium haul market—as in the long-haul market—the pressures from the holiday charter and inclusive-tour operators are forcing the pace of development and change. This trend which emerged only in the past few years, is likely to continue for a very long time and cannot be ignored. To some extent, BEA has moved to meet it already by forming its own inclusive tour and charter subsidiary, BEA Airtours; in its Miami in September conscious first 18 months this has done well.

But throughout Europe the pressures on the scheduled airlines for fares cuts to match those of the charter operators are mounting and—again, like the long-haul operators—the short-haul airlines, of which BEA is the highest, may find that many changes will be forced on them from outside.

SWEDISH JOBLESS TOTAL FALLS

By Our Own Correspondent

STOCKHOLM, August 23. THE NUMBER of unemployed in Sweden dropped during July by 8,000 persons to a total of 85,000 compared with the previous month, the Central Bureau of Statistics states. The July figures represent 2.1 per cent of the registered working population and compares with 2.3 per cent unemployed in June and 2.2 per cent in July last year.

Sugar talks at Chequers

BY OUR FOREIGN STAFF

THE LIKELY effect of Britain's membership of the Common Market on the Jamaican economy, and particularly its sugar sales, was discussed at Chequers yesterday when the Prime Minister, Mr. Edward Heath, entertained the Prime Minister of Jamaica, Mr. Hugh Shearer, Mr. Shearer is currently on a private visit to Britain. Other guests included Mr. Joseph Godber, Minister of State at the Foreign Office; Mr. James Prior, Minister of Agriculture; and Sir Robert Kirkwood, chairman since 1945 of the Sugar Manufacturers' Association of Jamaica.

The Common Market authorities reached agreement during the negotiations with Britain to have at least the interests of the Caribbean sugar producers.

QANTAS' JUMBO JET LANDINGS IN BAHRAIN

By Our Own Correspondent

BAHRAIN, August 23. Qantas Airways has announced that its first regular Jumbo Jet landings here will begin on November 26, several months earlier than expected. After that date twice-weekly landings will be made in each direction on the London-Sydney run. The earlier date is due to a delay Qantas has experienced in gaining U.S. sanction for its planned Pacific Ocean schedules.

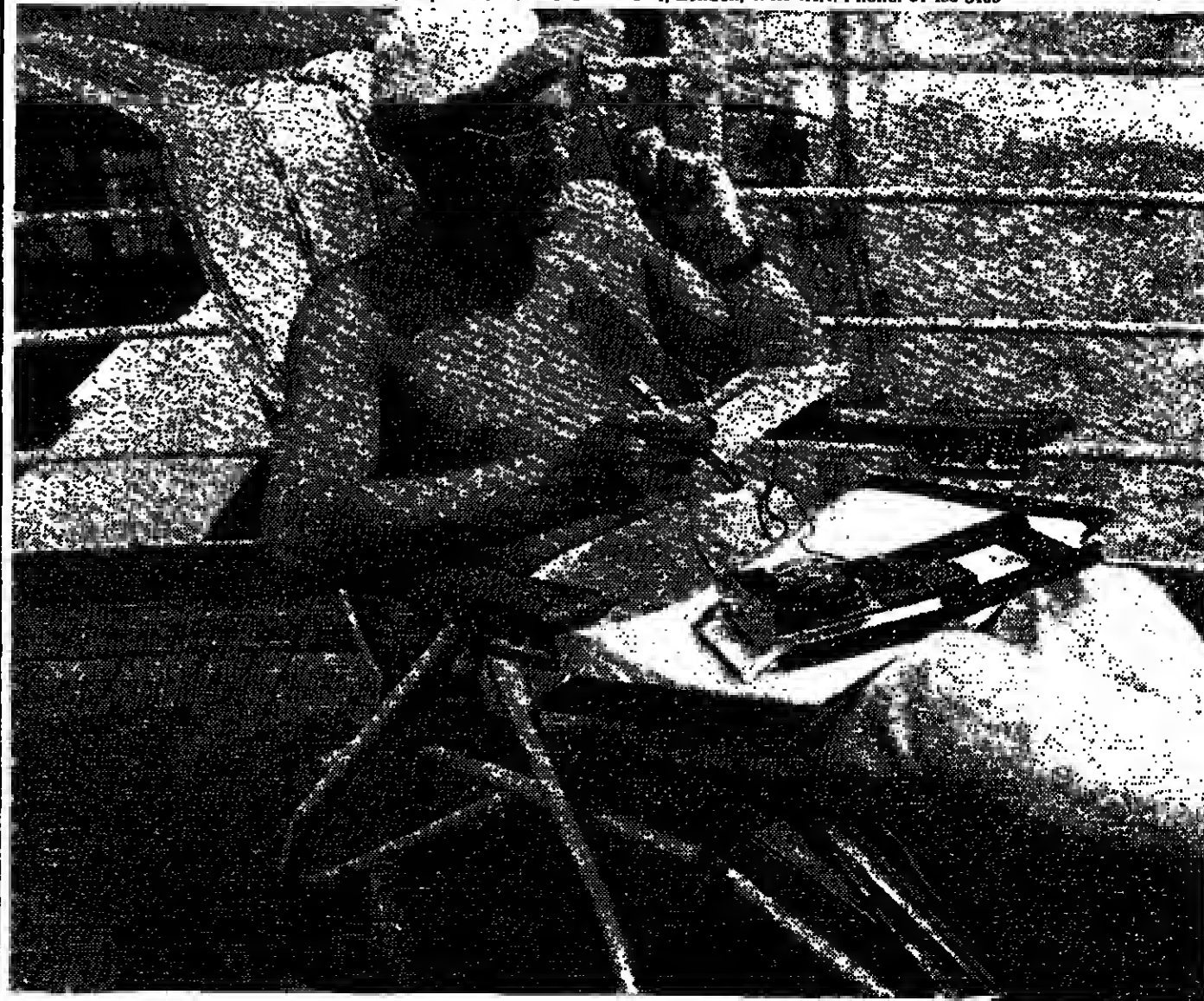
Executive sweet.

The great unwinder for the executive set. A golden sun-blessed opportunity to ignore the clock for eleven-and-a-half days of luxury. To cruise along from South Africa with Union-Castle and let it all happen in first-class style. Seven-course dinners, an admirable wine-list to mull over. Sunlit, sea-breezy decks to promenade on. A swimming pool to splash around in. And for the keep-fit fanatic, a gymnasium. So much personal service, Union-Castle way, not only a steward at your beck-and-call,

but secretarial help and ship-to-shore telephones if business demands them. There's so much of everything, why not bring your wife along, and turn the whole business into a wonderful holiday for two? Eleven-and-a-half days of sheer pleasure, meeting the kind of people you like to meet, or simply relaxing. Letting tensions evaporate. Just what the doctor ordered. So who would ever want to make an air trip to South Africa—and then back? You must be joking. One way, maybe. Both ways, never.

SEA SOUTH AFRICA UNION-CASTLE SAFMARINE

For brochures, sailing schedules, fares, (including certain discounts) and information, too, about air/sea bookings, African tours, and hotels: get your secretary to contact your usual travel agent, or Union-Castle Line, Dept. 353, 19/21 Old Broad St, London, W1X 4AN. Phone: 01-493 8400



Machine tool orders fall by 40%

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

NEW ORDERS for U.K. machine tools were worth only £36.8m in the first five months of this year, nearly 40 per cent less than in the same period of 1970, and there are no indications of any improvement since July's mini-Budget.

The feeling within the machine tool industry is that there is likely to be a lag of at least six months before the Chancellor's reflationary measures start to work through into the order book.

Provisional statistics issued by the Department of Trade and Industry yesterday show that new orders for U.K.-built machine tools amounted to only £10.6m in May. The total was made up of £5.2m worth of home orders, the lowest figure for four years, and contracts valued at £5.4m from overseas.

Although there was some improvement in export orders, compared with April's depressingly low figure of £3.8m, new business from overseas was still coming in much more slowly than it had in the last two years.

At the end of May the British machine tool manufacturers had orders worth £120.7m on hand, £3.8m less than at the end of the previous month. Again, this was one of the worst results since 1967.

Deliveries of machine tools in May totalled £14.3m, with £6.1m of the machines going to overseas markets and £8.2m to British buyers.

Although deliveries have tended to hold up well in recent months, this was another low figure, compared with the £15.8m delivered in April and £23.1m in March.

The latest statistics, following closely on announcements of heavy redundancies by some of the major companies in the industry, reinforce the need for the encouragement given to investment by the Chancellor last month.

The indications so far, however, are that Mr. Barber's measures will not start to have any noticeable effect until early next year, and possibly not until the Spring.

Behind every Amoco station is a love story.



Take it from us, the husband and wife team makes a splendid partnership.

In business, as well as in Holy Matrimony.

That's why, whenever we open a new station, we try and take on a married couple as tenants.

With their own money in the station, it's not surprising their hearts are in their work.

Dave and Beryl Rogers are a case in point.

Dave's a dab hand at mechanics, so he does all the servicing and repairs on cars.

On the forecourt, Beryl mans the pumps and generally makes her customers feel at home.

Granville Jones and his wife Joan go one better.

They employ their daughter Jennifer to look after the station's accounts.

Our other couples work in much the same way.

Having recently passed the seven-year itch, we can say the arrangement seems to be keeping everyone happy.

Our tenants are happy, because they get a share of the profits.

We're happy, because we're selling lots of petrol.

And you're happy, because you get a better service.

What did you expect, a love story with a sad ending?



From left to right are
George and Olga Hillman, Newport.
Brian and Jan Brockall, Horspath.
Granville and Joan Jones, Burntwood.
Dave and Beryl Rogers, Small Heath.
Malcolm and Irene Donlon, Leeds.
Douglas and Rita Smith, Keighley.
Andrew and Elizabeth-Anne Morris, Doncaster.
John and Beryl Pecorini, Winchelsea.
Roy and Freda Nash, Wisborough Green.
Lawrence and Joan Wood, Accrington.

Distillers' exports top £100m.

The following are extracts from the statement made by the Chairman, Mr. Alex McDonald, and circulated with the Report and Accounts for the year ended 31st March, 1971.

GENERAL OBSERVATIONS ON RESULTS

Excluding subsidiary companies in the United Glass subgroup, the consolidated profit for the year ended 31st March 1971 amounted to £54.7 million, an increase of £2.1 million compared with the previous year. The increase represents a rise of £3.0 million in trading profit, partly offset by a reduction of £0.6 million in income from investments and a charge for interest greater by £0.3 million.

The profit of our Scotch Whisky, Gin and Vodka interests increased by £4.2 million, mainly due to a higher volume of sales, but also as a result of an adjustment to the export price of our de luxe whiskies. It is particularly gratifying that the sustained growth of our exports of Scotch Whisky and Gin has for the first time carried the total value of Group exports beyond the £100 million mark.

The results of the Yeast and Food Group and of our Carbon Dioxide interests were both lower, showing together a fall of £0.8 million, mainly owing to higher costs.

The contraction in income from investments resulted from the realisation of Government Securities and of BP stock.

Last year the provision for taxation was based on corporation tax at the rate of 45%. Subsequently, the relevant rate was reduced to 42½%, giving rise to an over provision of approximately £1.2 million, which has been credited to reserve. The estimated taxation on the profit of the year under review is based on corporation tax at the current rate of 40%.

The consolidated net profit after taxation is £33.0 million, to which requires to be added £0.7 million representing the net profit from our interests in United Glass, making the total net profit attributable to the Company £33.7 million. Your Directors now recommend a final dividend on the share capital of 7.25 per cent, which, with the interim of 5.5 per cent already paid, will make a total distribution for the year of 12.75 per cent compared with 12.25 per cent last year.

The Consolidated Balance Sheet shows an increase in stocks of £22.5 million. Although the greater part of this figure is represented by additional maturing whiskies necessary to support the projected future sales of our brands, the effect of inflation to which I referred last year is also reflected to a material extent.

Some commentators on my previous remarks regarded the problems created by inflation as peculiar to the Scotch Whisky Industry because of its substantial investment in stocks. The effect upon other Companies whose major investment is in plant is very similar. Indeed such a Company may well replace each year a greater proportion of its total investment than would the holder of Scotch Whisky stocks.

I welcome the growing interest in this subject which has been displayed recently by a number of bodies, including the Institutes of Chartered Accountants. It seems increasingly evident that standard accounting procedures in this country must be modified to incorporate such adjustments as may be required to recognise the effect of inflation, not only upon profits but also upon the resources available for investment.

Our own accounting staff have developed a system of applying to the costs of assets appropriate factors derived from the Consumer Price Index. We believe this provides a reasonable measure of the effect of inflation upon the results of the year's trading. In consequence we consider that the value of our assets has been eroded by inflation during the year to the extent of some £8 million. In other words, to maintain in terms of today's prices the same volume of physical assets as existed at 31st March 1970, we would require to appropriate out of the apparent profit (as arrived at by present day accounting methods) the sum of about £8 million.

It may be helpful to re-state the Profit and Loss Account in the way we see the position. This would be as follows:

	£'000
Conventional profit	54,688
Deduct appropriation required to counter inflation	7,851
"Real" profit	46,837
Estimated taxation	21,548
	25,289
Minority shareholders' interests	114
Adjusted consolidated net profit	25,175
Net profit of the United Glass subgroup (unadjusted but not significant in relation to the total)	721
Approximate "real" net profit attributable to the Company	25,896

The first point which emerges is that Corporation Tax has not in fact absorbed 40% of the profit for the year but 46% of the "real" profit. The second observation which seems appropriate is that in distributing total dividends of £23,152,000 we are distributing almost the entire "real" profit remaining after taxation and in fact little is left as an addition to our financial resources.

One consequence of this situation is that the continual increase in requirements for working capital entailed by the growth of the Group's business cannot be met today out of retained profits. Since the issue in 1967 of £30 million Unsecured Loan Stock mainly to fund then existing short term borrowings, the Group's additional needs for cash have been met by realisations from the £19 million BP stock received as part consideration for the sale to BP of the Group's chemical and plastics interests. In this way £9.4 million of stock had been sold on the open market by 31st March this year. However, just as in 1967, your Directors take the view that the Company should avoid a position in which, were a pressing need for cash to arise, BP stock might have to be sold in market conditions which were temporarily adverse. Accordingly, before this statement is published, I expect that a further issue of Loan Stock will have been made.

Legal proceedings continue against the Distillers Company (Biochemicals) Ltd. arising out of the sale of Thalidomide products prior to December 1961. Settlement of the 65 actions the basis of which was agreed and approved by the High Court in 1968 is virtually complete.

The large number of additional legal claims made against the Company subsequent to the announcement of that settlement is still outstanding. The proceedings between the Company and its insurers which the Company instituted with a view to resolving the insurance position are still pending. Following a decision of the Privy Council an action begun in Australia against the

Company and its Australian subsidiary is now being pursued. Further comment on any of these outstanding matters is not appropriate at this time.

SCOTCH WHISKY

Operations at our malt and grain distilleries have run smoothly during the year. The productive capacity for malt whisky is being expanded at Glendullin and Caol Ila distilleries and mechanical meetings are being built at Port Ellen distillery in Islay to supply our three distilleries on that island, and also at Burghhead as an extension to our existing plant there. A new large blending and bottling plant is being built at Leven in the County of Fife to meet the increasing demand for these services.

In the home market The Scotch Whisky Association has made further strong representations to the Chancellor for a reduction in spirit duty, and stressed once more the handicap the industry suffers by virtue of the substantially higher rate of duty it has to bear compared with other products in the field of alcoholic beverages.

During the year under review, the industry enhanced its level of home sales to the highest total since the last war, representing an increase of some 10.5% over the previous year. I am glad to report that sales of Group brands increased by a considerably higher percentage, and in this performance Haig strengthened and further consolidated its position as the leading brand in the market. Dewar continued to enjoy an ever increasing popularity in Scotland, and was our largest selling brand north of the border.

In October last the opportunity was taken to increase home trade prices by an amount judged by the Board to be appropriate in relation to the continuing highly competitive situation in the market. Increased sales, partly at higher prices, did in fact achieve the objective of improving profitability. It must be stressed however, that

consumption there, rose by 10.7%. Your Company's brands maintained their proportion of this highly competitive market. Dewar's White Label enjoyed particular success in New York and the eastern states, increasing its sales considerably, while Johnnie Walker's Red and Black Labels continued to sell strongly.

Sales in the Central American and West Indian markets continue to expand. Early in 1971 the situation in Mexico was suddenly improved by the granting of greatly increased import licences.

As regards South America, Venezuela continues to be one of the greatest markets for Scotch Whisky in the world and James Buchanan & Company Ltd. with their Buchanan's "De Luxe" and "Black & White" still hold the lead.

In other South American markets, particularly Brazil and Argentina, there were some relatively large increases in industry shipments. Almost entirely these took the form of bulk Scotch Whisky for admixing with local spirit, to make products frequently sold under misleading labels. Your Company does not supply Whisky for this trade.

In Australia, New Zealand and Asia, the Company's brands, headed by Johnnie Walker, have again strengthened their position. In Japan this has been far from easy in face of the large amounts of bulk Scotch Whisky shipped for improving locally produced spirit, the result being described as Japanese Whisky. As in the case of South America your Company does not believe this type of business can be in the long term interests of Scotch Whisky, and is not involved.

Japan has for some time been a relatively small market for Scotch Whisky in bottle owing to the limitations imposed by import licensing, but I am glad to report that at the end of 1970 the licensing restrictions were abolished. "Johnnie Walker", "White Horse", "Black & White" and "Old Parr", all brands belonging to your Company, have for a long time been leaders in the

GIN

I am pleased to be able to report a substantial increase in world sales of Gordon's, Booth's and Tenqueray Gins. The United Kingdom and the United States markets accounted for the major part of the increase.

As with Scotch Whisky, in face of steeply rising costs the prices of our brands of Gin were increased in the home trade last October.

Shipments of our brands of Gin to overseas markets were well ahead of the previous year and the Group increased its proportion of total exports.

Sales of Gordon's Gin in the United States continued their upward trend and the brand retained its pre-eminent position as market leader.

VODKA

In the United States, the market for Gordon's Vodka once again showed a substantial rise. Sales of Cossack Vodka in the United Kingdom continued to make progress with a considerable increase over the previous year and a steadily rising share of the market.

PIMM'S

In the first full year during which Pimm's Ltd. has been a member of the Group, sales in the home market have shown an encouraging upward trend. Shipments to export markets were also higher than in the previous year.

COGNAC HINE

During the year we successfully negotiated the purchase of a majority interest in the company Cognac Hine, whose business consists of the production and sale of its various brands of Cognac. These enjoy an excellent reputation which we shall take every care to maintain. Your Board believes that there is real scope for expanding the sales of Hine in a number of export markets.

AUSTRALIAN INTERESTS

Although sales of their brands of Australian Whisky and Gin were slightly lower, good results for Vodka and other lines contributed to an increase in profits by The United Distillers Pty. Ltd.

FOOD GROUP

Although sales of Bakers Compressed Yeast and Dried Baking Yeasts were well maintained during the year, substantial increases in the costs of production and distribution, without equivalent price increases, reduced profitability, particularly during the first six months.

THE DISTILLERS COMPANY (CARBON DIOXIDE) LIMITED

Sales of carbon dioxide again showed a very satisfactory rate of growth. This progress was, however, overtaken by abnormal increases in costs, stemming from the high rate of inflation which occurred in the year. The highly competitive situation in the CO₂ market did not allow these cost increases to be entirely offset by price adjustments so that, in the overall picture, profits were reduced by approximately the extent to which they had grown in the previous year.

BAKELITE XYLONITE LIMITED

Overall the 1970 results of Bakelite Xylonite Ltd., the plastics company which we share equally with Union Carbide Corporation, USA, were encouraging.

UNITED GLASS LIMITED

The consolidated profit of United Glass in the calendar year 1970 before taxation amounted to £1,574,000 compared with £751,000 (excluding the loss of the discontinued British Heat Resisting Glass Company Limited) in the previous year. This marked improvement was entirely attributable to the Glass Container Division. In the other businesses, despite price increases, the dramatic rise in the cost of labour, materials and services caused profits to fall short of 1969 levels.

PERSONNEL

Although all our employees have contributed much to the smooth running of our operations over the past year, on this occasion I should like to mention particularly the quite remarkable achievements of the people primarily concerned with the bottling and distribution of Scotch Whisky and Gin. The advance notice given last August of an imminent price increase in the home trade concentrated the volume of business normally done between August and December into a flood of orders for delivery at the old price before the end of September. They were honoured at the earliest possible time by virtue of the strenuous efforts of those concerned. Your Board join with me in expressing on your behalf our great appreciation of their response to the needs of the time.

FUTURE PROSPECTS

Reports on economic conditions in the USA are not entirely encouraging, but, although this was also the situation last year, the demand there for Scotch Whisky did expand. We expect that our two major brands in that market will continue to record increased sales. In the rest of the world, demand continues reasonably strong and, provided prices are not greatly eroded by the intensity of competition, I am hopeful of a successful outcome to the current year.



Cutting peat. Malt whisky derives part of its inimitable flavour from the application of peat smoke to malted barley.

the rise in the price of Scotch Whisky served to intensify competition for market share.

I referred a year ago to the arrangement whereby Bass Chemington had been appointed agents for the sale of "Vat 69" in the UK. I am glad to say that the year under review was again one of encouragement to both parties.

As regards the export position, industry shipments for the year ended 31st March 1971 rose from 56,447,000 proof gallons to 61,980,000 proof gallons. I am glad to report that your Company's percentage of this total was well maintained.

In the United States — by far the largest market in the world — fears that the economic situation might affect sales of Scotch Whisky were not realised and, in fact, tax payments for the year 1970, the most reliable guide to

market. Every opportunity is now being taken to ensure that these and our other brands expend their business in the market which should grow considerably over the years.

Europe today contains the second, third and fourth largest export markets of the world, viz: France, Germany and Italy. Your Company's major brands have excellent distribution throughout these countries. However, competition, much at very low prices, is intense.

Problems which might arise should this country enter the Common Market continue to be studied. The Council of The Scotch Whisky Association have informed the Government of the difficulties which are foreseen for the industry, but the Departments have not so far felt able to offer any assurances.

The Ninety-fourth Annual General Meeting of The Distillers Company Limited will be held at the North British Hotel, Edinburgh, on Thursday, the 16th day of September, 1971 at 12.15 p.m.

SUMMARY OF RESULTS

	Year to 31st March 1971 £	Year to 31st March 1970 £
Consolidated profit before tax	54,688,000	52,628,000
Net earnings (including United Glass)	33,747,000	29,615,000
Retained in the business	10,595,000	7,327,000
Dividends	23,152,000	22,288,000
Rate of dividends	12.75%	12.25%

The
Distillers (DCL)
Company Limited

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS		Monday, August 23, 1971					Friday August 20		Thurs. August 19		Wed. August 18		Tuesday August 17		Year ago (approx)		Rights and Lower Index	
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	With 40% Correlation Est. Yield %	Est. Earnings Ratio	Div. yield %	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	1971	Since Completion		
															High	Low	High	Low
CAPITAL GOODS GROUP (184)		165.94	+1.0	6.05	16.84	5.91	194.44	133.74	153.71	153.83	118.53	155.63	103.05	191.50	155.63	103.05	191.50	155.63
Aircraft and Components (3)		115.18	+2.1	7.93	15.82	5.51	110.81	106.49	105.11	109.52	85.28	115.18	106.49	105.11	109.52	85.28	115.18	106.49
Building Materials (29)		157.14	+1.1	4.97	20.18	3.39	165.38	155.22	135.20	163.35	99.18	157.14	155.22	135.20	163.35	99.18	157.14	155.22
Contracting and Construction (19)		258.94	+1.0	5.84	17.11	3.67	231.57	231.66	229.81	233.14	181.20	258.94	231.66	229.81	233.14	181.20	258.94	231.66
Electro. (ex. Electr. Rad. & TV) (13)		222.54	+1.5	4.98	26.06	4.82	272.45	275.71	271.80	270.30	198.43	222.54	275.71	271.80	270.30	198.43	222.54	275.71
Engineering (80)		144.37	+0.6	5.66	16.02	4.33	143.43	143.10	143.31	143.55	115.15	144.37	143.10	143.31	143.55	115.15	144.37	143.10
Machinery Tools (15)		65.75	—	7.34	15.82	6.12	65.75	65.43	65.77	65.92	66.69	65.75	65.43	65.77	65.92	66.69	65.75	65.43
Miscellaneous (25)		127.64	+0.8	8.00	12.50	4.52	125.52	127.01	127.84	128.38	115.90	127.64	127.01	127.84	128.38	115.90	127.64	127.01
CONSUMER GOODS (DURABLE) GROUP (56)		170.51	+1.1	5.30	12.61	5.05	168.42	169.28	168.24	168.44	122.14	170.51	169.28	168.24	168.44	122.14	170.51	169.28
Electronics, Radio and TV (14)		128.85	+1.4	5.66	12.00	2.40	172.76	170.76	179.08	178.55	146.30	128.85	170.76	179.08	178.55	146.30	128.85	170.76
Household Goods (15)		168.68	+6.2	6.56	15.81	3.58	184.77	184.81	184.63	186.48	123.13	168.68	184.81	184.63	186.48	123.13	168.68	184.81
Motors and Distributors (27)		116.23	+1.0	4.45	22.49	3.70	114.05	116.23	114.24	114.86	85.28	116.23	116.23	114.24	114.86	85.28	116.23	116.23
CONSUMER GOODS (NON-DURABLE) GROUP (175)		161.70	+0.9	5.27	17.07	3.77	160.69	169.60	169.82	160.58	117.56	161.70	169.60	169.82	160.58	117.56	161.70	169.60
Breweries (21)		108.23	+0.3	6.39	19.26	5.43	104.82	103.70	104.62	105.12	121.52	108.23	103.70	104.62	105.12	121.52	108.23	103.70
Wines and Spirits (7)		169.87	-0.7	5.19	15.10	4.14	170.05	166.56	166.03	167.65	146.66	169.87	166.56	166.03	167.65	146.66	169.87	166.56
Entertainment and Catering (15)		201.75	+1.4	7.09	14.10	3.85	199.01	198.96	198.96	190.10	160.59	201.75	198.96	198.96	190.10	160.59	201.75	198.96
Food Manufacturing (24)		149.68	+1.0	6.66	17.69	3.81	141.89	140.60	141.32	149.98	102.11	149.68	140.60	141.32	149.98	102.11	149.68	140.60
Food Retailing (17)		138.79	-0.4	5.06	19.00	5.51	140.29	141.40	140.35	141.05	97.89	138.79	141.40	140.35	141.05	97.89	138.79	141.40
Newspapers and Publishing (15)		149.10	+0.5	5.04	19.62	2.01	141.44	141.73	140.69	141.12	106.70	149.10	141.73	140.69	141.12	106.70	149.10	141.73
Packaging and Paper (16)		117.97	+0.8	6.66	10.40	4.40	116.91	116.75	115.33	115.40	101.49	117.97	116.75	115.33	115.40	101.49	117.97	116.75
Stores (30)		154.72	+0.7	4.40	92.74	5.01	153.62	153.02	152.19	152.84	100.02	154.72	153.02	152.19	152.84	100.02	154.72	153.02
Textiles (21)		175.57	+1.5	5.62	17.91	6.14	173.69	170.56	162.71	170.36	134.27	175.57	170.56	162.71	170.36	134.27	175.57	170.56
Tobacco (3)		255.56	+0.6	9.06	11.05	5.65	235.99	232.49	232.65	233.36	202.08	255.56	232.49	232.65	233.36	202.08	255.56	232.49
Toys and Games (6)		45.67	+0.6	0.97	14.50	3.27	45.49	45.45	45.80	49.58	55.91	45.67	45.45	45.80	49.58	55.91	45.67	45.45
OTHER GROUPS																		
Chemicals (19)		191.97	+1.1	5.25	19.60	5.42	189.99	188.03	188.00	197.98	156.97	191.97	188.03	188.00	197.98	156.97	191.97	188.03
Office Equipment (10)		185.12	+0.5	5.38	27.60	1.54	184.18	195.01	198.59	265.90	134.22	185.12	195.01	198.59	265.90	134.22	185.12	195.01
Shipping (10)		317.62	+1.3	7.42	15.48	5.17	315.68	314.26	315.22	315.52	224.35	317.62	314.26	315.22	315.52	224.35	317.62	314.26
Miscellaneous (unclassified) (44)		109.60	+0.6	5.95	17.11	6.77	109.45	109.44	179.64	180.35	122.17	109.60	109.44	179.64	180.35	122.17	109.60	109.44
INDUSTRIAL GROUP (498 SHARES)		169.01	+0.9	5.68	17.94	3.61	166.65	163.75	166.06	165.52	—	169.01	163.75	166.06	165.52	—	169.01	163.75
OIL (2)		357.52	+0.3	8.00	18.66	2.71	357.09	340.67	353.30	340.79	278.73	357.52	340.67	353.30	340.79	278.73	357.52	340.67
500 SHARE INDEX		188.46	+0.7	5.54	17.72	5.73	191.16	180.80	179.83	191.53	157.17	188.46	180.80	179.83	191.53	157.17	188.46	180.80
FINANCIAL GROUP (121)		173.26	+0.7	—	—	2.76	173.91	171.67	171.36	171.54	110.05	173.26	171.67	171.36	171.54	110.05	173.26	171.67
Banks (6)		182.30	+0.8	7.29	15.72	2.68	167.82	184.51	183.72	182.68	100.78	182.30	184.51	183.72	182.68	100.78	182.30	184.51
Discount Houses (6)		178.69	+0.5	—	—	4.39	177.84	176.59	175.28	174.26	119.13	178.69	176.59	175.28	174.26	119.13	178.69	176.59
Hire Purchase (6)		370.94	+0.4	4.82	21.63	2.83	369.44	362.05	360.00	360.03	166.78	370.94	362.05	360.00	360.03	166.78	370.94	362.05
Insurance (Life) (9)		151.79	+0.5	—	—	2.96	150.94	151.47	152.51	152.71	115.47	151.79	151.47	152.51	152.71	115.47	151.79	151.47
Insurance (Composite) (9)		152.59	-0.1	—	—	3.25	153.55	151.51	130.25	122.95	100.70	152.59	151.51	130.25	122.95	100.70	152.59	151.51
Insurance (Brokers) (11)		165.03	-0.5	5.37	18.61	2.54	166.03	166.56	166.51	166.65	601.29	165.03	166.56	166.51	166.65	601.29	165.03	166.56
Investment Trusts (20)		194.35	-0.1	2.93	34.19	2.72	194.68	125.07	125.67	195.60	144.11	194.35	125.07	125.67	195.60	144.11	194.35	125.07
Merchant Banks, Issuing Houses (14)		169.61	+0.6	—	—	2.22	166.28	168.31	167.68	169.08	114.10	169.61	168.31	167.68	169.08	114.10	169.61	168.31
Property (31)		226.81	+2.5	5.56	59.03	3.13	220.32	212.31	212.41	212.30	158.96	226.81	212.31	212.41	212.30	158.96	226.81	212.31
Miscellaneous (9)		169.28	+0.5	5.02	16.60	4.39	168.42	167.78	168.81	170.75	—	169.28	167.78	168.81	170.75	—	169.28	167.78
ALL-SHARE INDEX (621 SHARES)		180.24	+0.7	—	—	3.41	178.98	178.98	177.68	178.79	150.42	180.24	178.98	177.68	178.79	150.42	180.24	178.98
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)																		
Rubbers (10)		317.58	-0.1	10.31	5.51	8.13	217.84	218.96	218.81	218.84	148.60	317.58	218.96	218.81	218.84	148.60	317.58	218.96
Teas (10)		90.15	-0.5	16.49	6.06	9.23	90.37	90.16	90.16	89.86	73.93	90.15	90.16	90.16	89.86	73.93	90.15	90.16
Coppers (4)		328.44	+0.3	64.05	1.85	13.05	327.68	322.23	323.44	327.93	282.84	328.44	322.23	323.44	327.93	282.84	328.44	322.23
Mining Finance (11)		96.01	+1.9	5.90	16.25	5.96	94.36	93.63	99.36	99.47	118.82	96.01	93.63	99.36	99.47	118.82	96.01	93.63
Tins (5)		72.82	+0.1	10.90	8.17	8.58	72.74	72.68	72.86	72.74	59.89	72.82	72.68	72.86	72.74	59.89	72.82	72.68
FIXED INTEREST																		
		Index No.	Yield %	Monday, August 23	Friday August 20	Thurs. August 19	Wed. August 18	Tuesday August 17	Monday August 16	Friday August 13	Year ago (approx)	1971		Since Completion				
												High	Low	High	Low			
Consols 2 1/2% yield		—	9.12	2.11	9.10	9.15	9.15	9.15	9.12	2.18	2.26	—	—	—	—			
20-yr. Govt. Stocks (6)		79.75	18.15	79.70	79.61	79.66	79.66	79.59	79.47	75.48	80.68	70.60	70.50	115.42	81.06			
20-yr. Red. Debentures & Loans (15)		72.68	10.15	72.64	72.48	72.45	72.31	72.34	72.34	70.87	70.95	68.43	68.43	115.42	71.00			
Investment Trusts Pref. (15)		70.98	10.40	70.01	70.01	70.01	70.01	68.85	68.85	71.57	70.98	68.85	68.85	115.42	71.00			
Commercial and Indust. Pref. (20)		73.98	10.44	74.17	74.14	74.12	74.14	74.15	74.25	73.56	74.25	69.28	69.28	114.41	74.15			

Section or Group	Base Date	Base Value
Manufacturing	29/12/67	114.13
Retailing	29/12/67	114.13
Finance Brokers	29/12/67	96.67
Insurance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Cellulosic Financial	31/12/70	120.06
Other	10/4/63	100.00
Redemption yield		

Orange Fruit (100) 90.00 90.00 Grapefruit (100) 90.00 90.00 Lemon (100) 90.00 90.00 Lime (100) 90.00 90.00 Mango (100) 90.00 90.00 Pineapple (100) 90.00 90.00 Raspberry (100) 90.00 90.00 Strawberry (100) 90.00 90.00 Tangerine (100) 90.00 90.00 Watermelon (100) 90.00 90.00 Apple (100) 90.00 90.00 Banana (100) 90.00 90.00 Chestnut (100) 90.00 90.00 Coconut (100) 90.00 90.00 Date (100) 90.00 90.00 Fig (100) 90.00 90.00 Grape (100) 90.00 90.00 Kiwi (100) 90.00 90.00 Lemon (100) 90.00 90.00 Lime (100) 90.00 90.00 Mango (100) 90.00 90.00 Pineapple (100) 90.00 90.00 Raspberry (100) 90.00 90.00 Strawberry (100) 90.00 90.00 Tangerine (100) 90.00 90.00 Watermelon (100) 90.00 90.00 Apple (100) 90.00 90.00 Banana (100) 90.00 90.00 Chestnut (100) 90.00 90.00 Coconut (100) 90.00 90.00 Date (100) 90.00 90.00 Fig (100) 90.00 90.00 Grape (100) 90.00 90.00 Kiwi (100) 90.00 90.00 Lemon (100) 90.00 90.00 Lime (100) 90.00 90.00 Mango (100) 90.00 90.00 Pineapple (100) 90.00 90.00 Raspberry (100) 90.00 90.00 Strawberry (100) 90.00 90.00 Tangerine (100) 90.00 90.00 Watermelon (100) 90.00 90.00 Apple (100) 90.00 90.00 Banana (100) 90.00 90.00 Chestnut (100) 90.00 90.00 Coconut (100) 90.00 90.00 Date (100) 90.00 90.00 Fig (100) 90.00 90.00 Grape (100) 90.00 90.00 Kiwi (100) 90.00 90.00 Lemon (100) 90.00 90.00 Lime (100) 90.00 90.00 Mango (100) 90.00 90.00 Pineapple (100) 90.00 90.00 Raspberry (100) 90.00 90.00 Strawberry (100) 90.00 90.00 Tangerine (100) 90.00 90.00 Watermelon (100) 90.00 90.00
--

BRITISH FUNDS									
1971	Stock	Price	Change	1971	Stock	Price	Change	1971	Stock
High/Low				High/Low				High/Low	
"Shorts" (Live up to Five Years)									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
Five to Fifteen Years									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
Over Fifteen Years									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
INTERNATIONAL BANK									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
CORPORATION BONDS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
COMMONWEALTH AND AFRICAN BONDS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
PUBLIC BOARD AND OTHER BONDS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
FOREIGN BONDS & RAILS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
LONDON U.S. DOLLAR AND DM ISSUES									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
AMERICANS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
CANADIANS									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
BANKS AND HIRE PURCHASE									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
BUILDING INDUSTRY - Continued									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
DRAPERY AND STORES - Continued									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
ELECTRICAL AND RADIO									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
HOTELS AND CATERERS - Continued									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
INDUSTRIALS (Continued)									
100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100	100/100
RECENT ISSUES - "Rights" Page 18									

من المحتل

TEAS—Continued

Registered at the G.P.O. Printed by St. Clement Press Ltd. for and published by THE FINANCIAL TIMES
15, Abchurch Lane, Cannon Street, London, E.C.4.

The GEORGE FISCHER GROUP
GF
Pipe fittings in malleable iron and plastics. Pipe cutting and screwing machines. Malleable iron castings.

Lombard
Why gold is such a political metal

BY JOE ROGALY

AT LAST the managing director of the International Monetary Fund, M. Pierre-Paul Schweitzer, has come out in the open and voiced in public the opinion that has been expressed inside his organisation for a good many months now. The United States, he indicated yesterday, should arrange for the devaluation of the dollar by the straightforward method, which would entail an increase in the price of gold. Short of growing his hair long, smoking marijuanas, and shouting rude words in public, M. Schweitzer could not have done anything more calculated to upset official American thinking.

U.S. refusal

There are many reasons why Americans have consistently refused to contemplate the payment of more than \$35 an ounce for "official" gold. It would be had domestic politics to do so. It may not be the solution to international monetary problems that some economists believe it to be. It would prolong the time during which mankind continued to hold a particular yellow metal in barbaric awe (this consideration is the one that most upsets theoretical purists). And—this is a reason that is trotted out every time that the subject is raised—the United States does not wish to enrich Russia and South Africa, two countries that it holds in political disfavour.

This last given reason upsets many people, partly because it is not really valid for a small increase in the price of gold (because this would not make much material difference to the strength of either South Africa or Russia), and partly because it is a shibboleth that contains within itself two subjects of tremendous emotional power: the price of gold and the policy of apartheid. The second is, of course, the most emotionally loaded of the two.

Logic

Yet there is a logic in many of the attempts to influence the Pretoria Government in such a way that it might at least modify the unhappy effect of some of its legislation on the lives of the black inhabitants of the Republic. It would be foolish to assume that the American Government under President Nixon is particularly concerned with the logic (as under Mr. Robert Kennedy it might have been); nevertheless there is a long tradition of such concern inside the State Department.

Some people who have taken note of the recent visit to South Africa by Dr. Hastings Banda for a change in this official attitude, for an outstanding black man has himself opted for a policy of disavowal and—in his words—"killing apartheid in the kindness" of gold, with this reasoning, amount to the same thing and what is more, fall in line with the Oppenheimer line of reasoning that the economic forces will in the end cause white South Africans to draw blacks into skilled jobs and hence, by extension, into a life of greater personal freedom.

Source of change

Perhaps. But even if this is accepted, realism dictates that in the absence of pressure from black Africa, the sports boycotts, the American disapproval, and all the rest—the Republic would not even have taken the tiny step forward that it took last week in accepting Dr. Banda and setting aside apartheid for him and his entourage for the few days of his visit. The only conceivable source of change in South Africa lies inside the minds of the white Afrikaners who govern it. Genuine change of the kind that would alleviate the situation of ordinary Africans is not on the horizon. If Dr. Banda's visit does bring about marginal relief, that will be all to the good, but such an outcome cannot be expected from continuing to apply pressure. Equally, it would not persuade the Afrikaners that they could safely ignore the effects of increasing the price of gold on their Afro-Asian policy. If Mr. Schweitzer does have his way, it will be as much of a surprise as a visit by Mr. Nixon to Peking.

THE LEX COLUMN

Explaining the re-rating at Carreras

Carreras has come in for a perhaps half a point to around 8 per cent. over the year. Carreras claims that the Cambridge stock back in 1969 has opened new doors in traditional strength. Profits of £8.43m. pre-tax compare with April's £8.1m. forecast, and taking in the share of associated company income for the first time lifts the total to £9.5m. against an adjusted £7.3m. last time. In the U.K., the rise in the promotional bill was nothing compared with the surge in 1969-70: volume rose by 7 per cent. and November's price increases covered roughly two-thirds of home sales. Exports grew rather faster, and in the associated companies a dull performance by Carroll, the major contributor, is more than offset by a (maintainable) rise of nearly two-thirds elsewhere, mainly in Jamaica. That helps the tax charge, and the upshot is an earnings rise from 8.5p to 9.5p per share and a p/e of 23.8 at 40p, up another 21p yesterday.

These figures support the other prop for Carreras' re-rating—the scope for improving its U.K. market share—with a rise of

perhaps half a point to around 8 per cent. over the year. Carreras claims that the Cambridge stock back in 1969 has opened new doors in traditional strength. Profits of £8.43m. pre-tax compare with April's £8.1m. forecast, and taking in the share of associated company income for the first time lifts the total to £9.5m. against an adjusted £7.3m. last time. In the U.K., the rise in the promotional bill was nothing compared with the surge in 1969-70: volume rose by 7 per cent. and November's price increases covered roughly two-thirds of home sales. Exports grew rather faster, and in the associated companies a dull performance by Carroll, the major contributor, is more than offset by a (maintainable) rise of nearly two-thirds elsewhere, mainly in Jamaica. That helps the tax charge, and the upshot is an earnings rise from 8.5p to 9.5p per share and a p/e of 23.8 at 40p, up another 21p yesterday.

See also Page 16

Land Securities

LSIT's asset value of 191p a share fully diluted was revealed as far back as May and the rent reversion assumptions lying behind the March revaluation are of course merely the other side of the coin. Nonetheless the quantification of these revaluations in the annual report up

to the year 1985 was apparently behind a 9p (after 13p) rise in the shares yesterday to 205p—unless it was the sheer quality of the report. Against an equivalent of a £10.3m. pre-tax profits last year, the revaluations average some £800,000 for the years 1973-3 through 1977-8 and about £2m. thereafter.

There is no reason to think that LSIT's premium over asset value will prove vulnerable in the short term. Aside from the question of future growth from developments not yet planned, two factors can be isolated as relating to property share prices to its current asset value (with a proviso over how that is determined). One is the gearing and the other is the development programme. Excluding its convertibles, LSIT is not highly geared (32 per cent.) but its average coupon is low: in fact a rough calculation of the equity in the group's borrowing on a market value basis would give about 25p a share.

As to the development programme, an idea of its size can be obtained from the figure of £88m. for properties undevel-

oped plus £83m. of capital commitments to be set aside a completed portfolio of £594m. (70 per cent. City and West End). A 30 per cent. capital surplus on £171m. would be worth 21p a share. But as a final thought, what premium is appropriate for a record which shows 15 per cent. compound growth in net assets over the admirably favourable period 1963 to 1971?

See also Page 18

Telefusion

Telefusion's 1970-71 profits are 25 per cent. higher at £1.1m. after a 31p per cent. gain at half-time. Neither that nor the earnings per share rise from 6.79p to 9.08p are typical of an industry in which earnings growth, temporarily, seems to be taking second place to the colour TV explosion; but Telefusion was starting from a low base. Profits in the previous two years were depressed by around £250,000 as for a write-off of all single standard 405-line monochrome sets; and

while the group's refurbishing of old monochrome sets left more cash flow free for investment in colour—refurbishing costs, say, £10 against £50 to buy a new monochrome—the effect on 1968-70 earnings was apparently adverse.

Profitability was also enhanced by combined depreciation and interest charges only £151,000 higher at £2.23m. re-charge the retail sales push via check trading and, of course, customer finance via the now defunct 42-week downpayment rule; that probably amounted to between £1.1m. and £1.2m. at the year-end. The question, then, is what happens in the current year. Telefusion reckons that the colour market in the past four weeks has been four or five times its size at the same time last year; and one or two people have been worried that the group's drive for market share might overstretch its funding requirements to the detriment of earnings.

However, it turns out that around 30 per cent. of new business is sticking to a year's advance rental plan. As for the rest, Telefusion's new scheme—

£19.50 installation charge followed by immediate weekly payments of £1.19 a week for its price leader—adds up to over a fifth more over 12 months than the year's advance old. The installation charge, too, should produce profits in year one, and Telefusion is going for a 1971-72 rise along last year's lines—growth enough to support the 20.7 p/e at 190p.

See also Page 16

Distillers

DCL goes a stage further in inflation accounting this year, quantifying the inflation element at £7.85m. within £35.7m. of "conventional" earnings. This in fact looks low vis-a-vis the Curry inflation accounting method but while DCL of necessity carries several years' stocks it is presumably only one year's stock requirement that is involved in the asset calculations. Meanwhile hopes of a "successful outcome" this year should allay worst fears.

See also Page 18

'Irish unification' theme of talks in Dublin

BY DOMINICK J. COYLE

DUBLIN, Aug. 23.

OPPOSITION MPs and senators from Northern Ireland arrived virtually en bloc this afternoon in Dublin for detailed discussions with the Government here on future tactics and strategy, including a civil disobedience campaign which, they hope, will eventually force a "political settlement" of the Northern crisis.

The meeting ended with this statement: "It was agreed that all should work towards the objective of obtaining equality of treatment for everyone in Northern Ireland irrespective of political views or religion and that in stating this immediate objective there is no departure from the intention of the great majority of Irish people to achieve the unification of Ireland."

The statement indicated that there would be further consultations.

Invited

The talks, called at the invitation of Mr. Jack Lynch, Prime Minister of Eire, were attended by representatives of Northern Ireland's Social Democratic and Labour Party and the Nationalist Party, both of which have already withdrawn from Stormont and announced their intention to establish an alternative Assembly in Ulster.

Two of the MPs at the talks, Mr. John Hume and Mr. Ivan Cooper, rushed here from Derry, where they had appeared this morning in Court on a charge of failing to obey an Army order arising out of a protest sit-down demonstration in the city last week. The cases were adjourned for two weeks or so.

Mr. Lynch has already committed his Government to the support of "political action" aimed at bringing down the present Stormont Government, but he has failed, in advance of today's discussions, to indicate the precise nature of this support. A final decision may, in fact, have to wait until after tomorrow's normal weekly meeting of the Cabinet, particularly if financial and diplomatic hacking is envisaged.

There was some immediate surprise here at the participants on the Government's side. As expected, Mr. Lynch was accompanied by his Ministers for Finance and Foreign Affairs, Mr. George Colley and Dr. P. J.



Mr. Joseph Brennan, the Republic of Ireland's Minister of Social Welfare and Labour.

and how the Republic's Prime Minister could assist in the campaign. Mr. Lynch has already committed his Government to the support of "political action" aimed at bringing down the present Stormont Government, but he has failed, in advance of today's discussions, to indicate the precise nature of this support. A final decision may, in fact, have to wait until after tomorrow's normal weekly meeting of the Cabinet, particularly if financial and diplomatic hacking is envisaged.

There was some immediate surprise here at the participants on the Government's side. As expected, Mr. Lynch was accompanied by his Ministers for Finance and Foreign Affairs, Mr. George Colley and Dr. P. J.

Hillery, but two other Cabinet members also joined in the discussions. Mr. Joseph Brennan (Social Welfare and Labour) and Padraig Faulkner (Education).

The inclusion of Mr. Brennan led to speculation that the Government may be considering a scheme to compensate Roman Catholics in Northern Ireland who may have incurred losses as a result of their participation in the civil disobedience programme, including non-payment of rents and rates.

The Northern representatives are planning their resistance campaign with a two-fold objective. Their immediate aim is to mount pressure for an end to internment, and then to maintain the campaign to have Stormont replaced by a new system of administration in which Roman Catholic representation would be proportionate to their numerical strength in the Province.

Moderation

Mr. Lynch's Government has endorsed this strategy in principle, but Ministers here are anxious to ensure that the passive resistance campaign is fully co-ordinated and seen to be organised and led by political moderates. There is certainly concern here that militant Republican elements are also mounting their own civil disobedience programme and establishing a nine-county Ulster Parliament aimed at undermining the authority of both Stormont and Dublin Governments.

The visiting MPs and senators were later due to meet Mr. Liam Cosgrave, Leader of the Opposition, Fine Gael Party, together with the party's spokesmen on foreign affairs, Mr. Richie Ryan. A meeting has also been scheduled with representatives of the Labour Party.

No recall of Parliament

BY RICHARD EVANS

THE OPPOSITION request that Parliament be recalled for two days next week to debate the Northern Ireland situation has been turned down by the Government, making an open rift between the two parties more likely.

Mr. Francis Pym, Government Chief Whip, yesterday told his colleagues that the Government did not think the situation warranted an emergency debate but promised that Ministers would continue to keep the matter under daily review.

The rejection infuriated Labour leaders, who will continue to press for the Commons to debate Ulster before the proposed return of Parliament on October 10. They feel that Parliament has been treated in a "deplorable" manner and has been flouted by the Government. In particular, the Opposition believes that the whole time schedule for the introduction of

internment was arranged deliberately so that Parliament could not debate it before rising early in August. Since then, it is argued, the situation has deteriorated significantly.

On the other hand, Ministers believe that an early debate could do more harm than good by giving a platform to extremists. They feel it would be much more useful to wait until something constructive could be said about new economic aid to Ulster.

Mr. Harold Wilson will return to London from his holiday at the Seelies on Thursday and will discuss soon afterwards the situation with his colleagues by telephone. He may then seek a meeting with the Prime Minister to discuss Government policies in Northern Ireland.

Discussions continued yesterday between the Home Office and the Defence Department on the composition of the independent inquiry into allegations of brutality against British soldiers

in Ulster, and a statement is expected to-day or to-morrow. Lord Carrington, Secretary for Defence, was to have discussed the inquiry with Mr. Heath at Chequers yesterday, but the meeting had to be postponed because of Lord Carrington's indisposition.

Soldier killed

One Belfast Correspondent writes: Another soldier was shot dead in Belfast yesterday by a sniper. He was on duty in the Ardoyne area. This brings to 14 the number of soldiers killed in Northern Ireland this year.

The total death toll since the introduction of internment a fortnight ago rose to 31 when a man injured during a gun battle in Northern Ireland died in hospital. The team of Scotland Yard detectives which was called in seven months ago to assist the Royal Ulster Constabulary in murder investigations has returned to London.

strongly opposed to his rejoining the Board in spite of the fact that the new independent Pergamon management thought Mr. Maxwell's reappointment necessary. Mr. Kalinsky supported his Pergamon colleagues on this point.

However, it is believed that other factors are involved in the breach between Dr. Kalinsky and Leasco, although last night Dr. Kalinsky would not comment beyond confirming that he had been informed by Leasco of his removal from office. It was suggested in some quarters last night that there is also some measure of disagreement between Dr. Kalinsky and the rest of the Pergamon Board.

Pergamon losses may be about £1m. more than forecast

BY SANDY McLAHLAN

IT IS now thought that the losses of Pergamon Press for the year to September 1970 will turn out much higher than the £1.3m. predicted by Sir Henry d'Avigdor Goldsmid, chairman, at the last annual meeting. It is now suggested that the accounts, due shortly, will, in fact, throw up a loss of some £2.3m.

It is believed that most of the discrepancy is due to a difference between the accounting procedures used in the unaudited internal accounts—on which the forecast was largely based—and those applied to the audited figures which will appear in the annual report.

To add to Pergamon's troubles it became clear yesterday that

Dr. Felix Kalinsky, Pergamon's managing director, had been dismissed as a vice-president of Leasco Data Processing Corporation—the U.S. computer company which holds some 35 per cent. of the Pergamon equity.

Dr. Kalinsky was being paid \$80,000 a year by Leasco while he was seconded to Pergamon, but Leasco reclaimed the money when he was dismissed. Now it appears that Pergamon will pay Dr. Kalinsky directly.

It is known that Dr. Kalinsky did not see eye to eye with the Leasco management over the reappointment of Mr. Robert Maxwell to the Pergamon Board. Leasco has been scrapping with Mr. Maxwell on and off for a couple of years now, and was

strongly opposed to his rejoining the Board in spite of the fact that the new independent Pergamon management thought Mr. Maxwell's reappointment necessary. Mr. Kalinsky supported his Pergamon colleagues on this point.

However, it is believed that other factors are involved in the breach between Dr. Kalinsky and Leasco, although last night Dr. Kalinsky would not comment beyond confirming that he had been informed by Leasco of his removal from office. It was suggested in some quarters last night that there is also some measure of disagreement between Dr. Kalinsky and the rest of the Pergamon Board.

Strike threat to 9 Lucas factories

By Our Labour Correspondent

ALL NINE Lucas component factories in Birmingham could be shut down because of a strike by 200 engineers which yesterday led to nearly 1,000 other workers being laid off at two of the group's plants in the Midlands.

The company had to close down its alternator factory in Marshall Lake Road, Birmingham, and send some 300 workers, and another 150 were made idle at the Mere Green, Sutton Coldfield, electronics plant.

The engineers are demanding more holiday money, and walked out even though the management said it was prepared to consider the claim when their present wage agreement, which expires next week, is renegotiated.

The engineers involved are responsible for maintaining machinery at all nine plants, none of which is likely to be able to operate long without them. They are not planning to meet again before Friday.

Because of slackening demand for components which has led to some short-time working at Lucas stocks are high and there is no immediate danger to production in the motor industry.

U.K. move on aid to Malta

BY RICHARD JOHNS

BRITAIN will consult with her NATO allies this week to see if they are prepared to increase their contributions to the aid package being offered to Malta in return for Britain's continued use of the island's military facilities, according to informed sources.

After consultations in Brussels, Sir Edward Peck, the U.K. Ambassador to NATO, will report back to the Government in London on the chances of improved offers by individual members of the alliance. But Britain's offer of an undivided share in the £5m. annual cash grant proposed collectively with NATO plus another £3.5m. in economic aid will not be raised.

In Whitehall, meanwhile, a "long-haul" is anticipated before the deadline is resolved.

But following the visit of Lord Carrington, Secretary of Defence, to Malta last week, and his talks with Don Mintoff, the Maltese Prime Minister, there is clear relief that the crisis atmosphere has cooled.

During Friday's talks in Valletta Mr. Mintoff intimated that the U.S. and West Germany had both made approaches individually to his Government indicating that they would be prepared to give more than their already pledged in return for the military facilities.

It is believed that the U.S. and West Germany both place a rather higher value on the island's strategic value than does Britain. According to sources in Valletta there has been some American discontent about

Britain's handling of the exchange with Malta. A special envoy from the State Department, Mr. John Walker, is currently in Valletta keeping an eye on the proceedings.

Any individual approaches by the U.S. and West Germany were probably concerned with the extra economic aid the NATO allies have said they are prepared to discuss with Mr. Mintoff's government on a bilateral basis. As yet, Mr. Mintoff has given no precise idea by the British Government as to how much money he could expect from them and on what terms.

Mr. Mintoff's minimum demand, as reported previously in the Financial Times, is for an annual rental of £15m. a year. The gap between this figure and the £5.5m. basic British-NATO offer will have to be narrowed if the political negotiations on a new financial-defence agreement are to get under way.

Nevertheless, Lord Carrington's visit has established that Malta is prepared to grant Britain exclusive rights for military facilities although this probably would not preclude Russian merchant vessels, including the "trawlers" which shadow the U.S. Sixth Fleet, from using the Malta dockyards. It was reported last week that Mr. Mikhail Smirnovsky, the Soviet Ambassador, had suggested that his Government could help Malta in this way.

It also believed to have offered immediate cash aid to tide the Maltese Government over its "cash-flow" crisis. But Mr. Mintoff evidently has recoiled from the Russian embrace, not the least because he is fearful of the political repercussions in Malta itself.

However, it is thought that Mr. Mintoff may be able to take up a Libyan offer of short-term cash aid, even though the "strings" attached by Tripoli to a long-term agreement are unacceptable.

Turriff withdrawing from Barbican

BY JOHN HUNT

TURRIFF CONSTRUCTION Corporation announced last night that it is withdrawing from its big building contract at the Barbican, the huge complex of multi-storey flats in the City of London.

Mr. L. R. Robinson, chief executive of the company, said the decision had been taken because of the company's dissatisfaction with the way the City Corporation was handling the project.

He said that the Turriff part of the project, phase 2, which included flats and a school, should have been completed in 1968.

There had been delays in the production of plans and the appointment of sub-contractors. As a result the cost of the work had risen to £1.25m. and there had been differences of opinion between the company and the Corporation over the continued financing of construction.

Mr. Robinson said the original contract, in 1963, had been valued at £8m. Turriff had already been paid £10m., and now valued the work so far at £14.8m.

As a result, Turriff asked the Corporation for the work to proceed on a cost basis—that is, payment as each section of the

work was completed. It had given the Corporation two weeks to consider this and had then extended it by a further week.

It had informed the City that, if satisfactory assurance was forthcoming when the deadline expired last Friday, the company would withdraw from the project. "No positive reply was forthcoming," declared Mr. Robinson. "So we told them that it just wasn't on."

A statement from the company said there would be a phased withdrawal from the site consequent on repudiation of the contract by the Corporation.

Mr. Robinson explained that the company considered the Corporation's failure to give a positive answer as a "repudiation."

Turriff was at pains to point out that it would not call its 200 men off the site immediately. They would be withdrawn gradually as the Corporation found another contractor to take over the work. That would give sub-contractors time to phase in with whoever took over the contract.

The Turriff section of the project is 30 per cent. completed. There are three other main contractors on other sections of the Barbican.

No comment could be obtained from the City last night.

Many garages expected to raise charges soon

BY MICHAEL HAND, LABOUR CORRESPONDENT

MANY garages are expected to raise repair and service charges following an increase of 8½ per cent. in basic pay rates from the beginning of next month for 350,000 workers in the motor vehicle retail and repairing trade.

The basic weekly rate for skilled men will go up by £1.50 to £20. for semi-skilled and unskilled men by £1.25 to £17.25 and £15.75 respectively and for women by £1 to £12.67.

The increases are being paid under the final stage of a three-year deal which, following union pressure, was amended

last year to give bigger increases under the last two stages because of the rise in the cost of living and the high level of pay rises in industry generally since it was originally negotiated in 1969.

Although the agreement affects only basic rates directly, workers paid above the minimum would expect to have their differentials maintained.

Wages account for about a third of the total costs, which will therefore probably go up by about 2½ to 3 per cent. It is expected that many garages will find it necessary to pass on some or all of this extra cost to their customers.

Vent-Axle
Best value in unit ventilation.

Weather

U.K. TO-DAY

In the North, it will be with sunny spells in most areas and temperatures a little higher than yesterday, especially in the North and over Northern Ireland. South areas will be rather cloudy with scattered outbreaks of rain, but a little warmer yesterday.

London, Cent. S. Eng. South- Midlands, Wales: Rather cloudy. Some spells, but perhaps some breaks of rain. Wind East. Max. 22° (72°).

Channel Islands: Rather cloudy. Perhaps breaks of rain. Wind East. Max. 18°C (64°F).

S.E. and E. Eng. E. Ang. Misty near East Coast. Bright spells inland. Perhaps breaks of rain. Max. 21°C (70°F).

N. Eng., W. Eng., N. Ireland: S. and Cent. Scotland: Mostly dry. Sunny spells. Max. 18°C (64°F).

N. Scotland, Orkney, Shetland: Rather cloudy at times. Occasional rain. Max. 15°C (59°F).

Outlook: Mostly dry in N. unsettled in South.

BUSINESS CENTRES

City	Mid-day	Close
Amsterdam	17.00	17.00
Brussels	17.00	17.00
Frankfurt	17.00	17.00
Geneva	17.00	17.00
London	17.00	17.00
Madrid	17.00	17.00
Paris	17.00	17.00
Rome	17.00	17.00
Stockholm	17.00	17.00
Zurich	17.00	17.00

HOLIDAY RESORTS

Resort	Mid-day	Close
Amsterdam	17.00	17.00
Brussels	17.00	17.00
Frankfurt	17.00	17.00
Geneva	17.00	17.00
London	17.00	17.00
Madrid	17.00	17.00
Paris	17.00	17.00
Rome	17.00	17.00
Stockholm	17.00	17.00
Zurich	17.00	17.00

MORE DETAILS OF £60M. ROAD

Householders are being notified by Greater London Council that they will be affected by the proposed £60m. West Cross road, which will run from the Thames at Chelsea Basin, two-mile road, elevated through the West London railway tunnel. It is a continuation of the spur to Westway.

Dear Breadwinner

Sorry I laughed when you nearly fell downstairs this morning. Didn't mean to. You were right to be frightened. I was too when I thought of it. The children and I are totally dependent on you. Money would soon run out. Fixing the stair carpet is not enough.

Soon after, your father phoned: "Tell him to give the risk on his life to the Scottish Provident. They are used to accepting risks. In return you get security. It's done so you all benefit—even if he doesn't have an accident."

"He selects one of their endowment assurances. It's only a few pounds a month, whatever he can afford. Then they insure his life for thousands of pounds. Tell him if he doesn't give my favourite daughter-in-law more security I'll disinherit him!" End of message.

Supper is in the oven. Don't burn yourself on the dish. Please fetch me early darling, you know how boring Maggie's bridge evenings are.

Kisses, Tessa.

You win both ways with a Scottish Provident endowment: security in case of death; or a handsome cash payout if you survive. It's very simple and secure. Of course, for the very best, ask your broker about Selected Period Investment. It's a unique Scottish Provident idea. No broker? Then look in the yellow pages. Or send for our leaflet.

NAME Mr./Mrs./Miss _____ F77

ADDRESS _____

Date of birth _____ Monthly Payment £ _____

THE Scottish Provident INSTITUTION

helps you look ahead with a new idea

6 St. Andrew Square, Edinburgh EH2 2YA. Tel: 031-556 1407